

NEW ISSUE REPORT FORM

Date of Report: November 8, 2024

ISSUE: <u>Claywood Park Public Service District Water Revenue Bonds, Series 2024</u>	
(United States Department of Agriculture)	
ADDRESS: <u>Post Office Box 127, Parkersburg, WV 26102</u>	COUNTY: <u>Wood County</u>
PURPOSE OF ISSUE: <u>X</u> New Money Refunding	Refunds issue(s) dated: _____
ISSUE DATE: <u>November 8, 2024</u>	RATE: <u>3.625%</u> ADMIN FEE: <u>N/A</u>
ISSUE AMOUNT: <u>\$940,000</u>	1st DEBT SERVICE DUE: <u>N/A</u>
1st PRINCIPAL DUE: <u>N/A</u>	
1st DEBT SERVICE AMOUNT: <u>N/A</u>	PAYING AGENT: <u>Issuer</u>
BOND COUNSEL: <u>Bowles Rice LLP</u>	UNDERWRITERS COUNSEL: _____
Contact Name: <u>Camden P. Siegrist, Esquire</u>	Contact Name: _____
Phone: <u>(304) 347-1129</u>	Phone: _____
Email: <u>csiegrist@bowlesrice.com</u>	Email: _____
CLOSING BANK: <u>N/A</u>	ESCROW TRUSTEE: _____
Contact Name: _____	Contact Name: _____
Phone: _____	Phone: _____
Email: _____	Email: _____
KNOWLEDGEABLE ISSUER CONTACT:	OTHER: <u>United States Department of Agriculture</u>
Contact Name: <u>A.J. Allen</u>	Contact Name: <u>Alan L. Harris</u>
Title: <u>Assistant Manager</u>	Title: <u>Area Director</u>
Phone: <u>(304) 422-6042</u>	Phone: <u>(304) 514-7181</u>
Email: <u>aj.allen@woodpsd.org</u>	Email: <u>alan.harris@usda.gov</u>
DEPOSITS TO MBC AT CLOSE: _____	Accrued Interest: _____
By Wire _____	Capitalized Interest: _____
Check _____	Reserve Account: _____
In-house Transfer _____	Other: _____
REFUNDS & TRANSFERS BY MBC AT CLOSE:	To Escrow Trustee: _____
By Wire _____	To Issuer: _____
Check _____	To Cons. Invest Fund: _____
IGT _____	To Other: _____
ISSUER NUMBERS:	
BANK ID NUMBER: _____	CUSIP: _____
ACCOUNT NUMBER: _____	PROGRAM NUMBER: _____
NOTES: <u>Monthly debt service payments will be made directly to the National Finance Office. The Municipal Bond Commission will hold only the Series 2024 Bonds Reserve Account. Payments into the Series 2024 Bonds Reserve Account will commence twenty-five (25) months following the issue date in the amount of \$380.70.</u>	
FOR MUNICIPAL BOND COMMISSION USE ONLY:	
Documents Required: _____	Transfers Required: _____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CLAYWOOD PARK PUBLIC SERVICE DISTRICT
WATER REVENUE BOND
SERIES 2024 (UNITED STATES DEPARTMENT OF AGRICULTURE)

No. R-1

\$940,000

CLAYWOOD PARK PUBLIC SERVICE DISTRICT, a public service district and political subdivision of the State of West Virginia in Wood and Wirt Counties of said State (the "Issuer"), for value received, promises to pay to the order of the United States of America, acting through the United States Department of Agriculture (the "Purchaser"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Purchaser may hereafter designate in writing, the principal sum of NINE HUNDRED FORTY THOUSAND DOLLARS (\$940,000.00), plus interest on the unpaid principal balance at the rate of three and five-eighths per cent (3.625%) per annum. The said principal and interest shall be paid in the following installments on the following dates: annual installments of interest only shall be due and payable on November 8, 2025, and on November 8, 2026, and commencing on December 8, 2026, and on the corresponding day of each month thereafter monthly installments in the amount of \$3,807.00, covering principal and interest, shall be due and payable, except that all unpaid principal of and interest on this Series 2024 Bond shall be paid in full at the end of 40 years from the date of this Series 2024 Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount hereof is not advanced at the time of closing, the proceeds hereof shall be advanced to Issuer as requested by Issuer and approved by the Purchaser and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made hereon shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer. Refunds and extra payments, as defined in the regulations of the Purchaser according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Series 2024 Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the Purchaser at any time assigns this Series 2024 Bond and insures the payment thereof, Issuer shall continue to make payments to the Purchaser as collection agent for the Holder.

While this Series 2024 Bond is held by an insured lender, prepayments made by Issuer may, at the option of the Purchaser, be remitted by the Purchaser to the Holder promptly or, except for final payment, be retained by the Purchaser and remitted to the Holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment

made by Issuer, except payments retained and remitted by the Purchaser on an annual installment due date basis, shall be the date of the United States Treasury check by which the Purchaser remits the payment to the Holder. The effective date of any prepayment retained and remitted by the Purchaser to the Holder on an annual installment due date basis shall be the date of the prepayment by Issuer and the Purchaser will pay the interest to which the Holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the Holder.

Any amount advanced or expended by the Purchaser for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Purchaser shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Issuer to the Purchaser without demand. Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Purchaser.

Issuer hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing rates and terms in or near its community for loans for similar purposes and periods of time.

This Series 2024 Bond and the Prior Bonds, as hereinafter defined, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing such funds for financing costs of construction of repairs, replacements and improvements to the waterworks system (the "System") of the Issuer, are payable solely from the Revenues to be derived from the operation of the System after there have been first paid from such Revenues the reasonable current costs of operation and maintenance of the System. This Series 2024 Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation.

Registration of this Series 2024 Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Secretary of the Issuer, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolutions hereinafter described, and upon surrender and cancellation of this Series 2024 Bond. Upon such transfer a new Series 2024 Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Series 2024 Bond, under the provisions 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, but may only be transferred by transfer of registration hereof with the Secretary of the Issuer.

This Series 2024 Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended (herein called the "Act"), and the Bond Resolution of the Issuer adopted on November 6, 2024 (the "Resolution").

If at any time it shall appear to the Purchaser that Issuer may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans

for similar purposes and periods of time, Issuer will, at Purchaser's request, apply for and accept such loan in sufficient amount to repay the Purchaser.

This Series 2024 Bond is given as evidence of a loan to Issuer made or insured by the Purchaser pursuant to the Consolidated Farmers Home Rural Development Act. This Series 2024 Bond shall be subject to the present regulations of the Farmers Home Administration and its successors and assigns and to future regulations not inconsistent with the express provisions hereof.

THIS SERIES 2024 BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (A) WATER REFUNDING REVENUE BONDS, SERIES 2016, DATED APRIL 22, 2016, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$2,990,000; (B) WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA DWTRF PROGRAM) DATED JUNE 2, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,343,944; (C) WATER REFUNDING REVENUE BONDS, SERIES 2016 C, DATED NOVEMBER 10, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$6,610,000; (D) WATER REVENUE BONDS SERIES 2020 A (WEST VIRGINIA DWTRF PROGRAM), DATED NOVEMBER 19, 2020, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$441,000; AND (E) WATER REFUNDING REVENUE BONDS, SERIES 2021 A (BANK QUALIFIED), DATED APRIL 1, 2021, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,700,000 (COLLECTIVELY, THE "PRIOR BONDS"). .

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, this Series 2024 Bond will be in default should any proceeds of the Series 2024 Bond be used for a purpose that will contribute to excessive erosion of highly erodible land or the conversion of wetlands to produce an agricultural commodity.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the CLAYWOOD PARK PUBLIC SERVICE DISTRICT has caused this Series 2024 Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary and has caused this Series 2024 Bond to be dated November 8, 2024.

Attest:

A large, stylized 'COPY' watermark is superimposed over the signature.

Secretary, Public Service Board

CLAYWOOD PARK PUBLIC
SERVICE DISTRICT

A large, stylized 'COPY' watermark is superimposed over the signature.

By: _____
Chairman, Public Service Board

[CORPORATE SEAL]

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$332,510.69	November 8, 2024	(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	
TOTAL \$			

Date of
Registration

November 8, 2024

In Whose Name
Registered

United States of America,
Acting through the United States
Department of Agriculture
1550 Earl Core Road, Suite 101
Morgantown, WV 26505

Signature of
Secretary or Registrar

Edna F. L...

ASSIGNMENT

Pay to the Order of _____

UNITED STATES OF AMERICA,
ACTING THROUGH THE UNITED
STATES DEPARTMENT OF
AGRICULTURE

By: _____

Alan L. Harris
(Title) Area Director,
USDA Rural Development

**CLAYWOOD PARK PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS
SERIES 2024 (UNITED STATES DEPARTMENT OF AGRICULTURE)**

BOND RESOLUTION

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**CLAYWOOD PARK PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS
SERIES 2024 (UNITED STATES DEPARTMENT OF AGRICULTURE)**

BOND RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS SYSTEM OF THE CLAYWOOD PARK PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CLAYWOOD PARK PUBLIC SERVICE DISTRICT OF WATER REVENUE BONDS, SERIES 2024 (UNITED STATES DEPARTMENT OF AGRICULTURE), IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED NINE HUNDRED FORTY THOUSAND DOLLARS (\$940,000); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE SERIES 2024 BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDERS OF THE SERIES 2024 BONDS AND FOR A STATUTORY MORTGAGE LIEN; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF THE CLAYWOOD PARK PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the “Bond Legislation”) is adopted pursuant to the provisions of Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the “Act”), and other applicable provisions of law.

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

A. The Claywood Park Public Service District (the “Issuer”) is a public service district, public corporation and political subdivision of the State of West Virginia in Wood and Wirt Counties of said State, created by The County Commission of Wood County.

B. The Issuer presently owns and operates a public waterworks system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain additions, betterments and improvements to the Issuer’s existing waterworks system, including the additions, betterments and improvements described in Exhibit A hereto (collectively, the “Project”) (the Issuer’s existing waterworks system, the Project and any further additions, extensions, betterments and improvements thereto are herein called the “System”) in accordance with the plans and specifications prepared by Cerrone Associates, Inc., Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. 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 the costs of the operation and maintenance of the System, the principal of and interest on the Series 2024 Bonds and the Prior Bonds and all Sinking Funds, Reserve Accounts and other payments provided for herein, all as such terms are hereinafter defined.

D. It is further deemed necessary for the Issuer to issue its Series 2024 Bonds in the principal amount of not more than \$940,000, to permanently finance the costs of acquisition, construction and equipping of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2024 Bonds prior to and during construction and acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Series 2024 Bonds Reserve Account; 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, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2024 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs

prior to the issuance of the Series 2024 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

E. The estimated maximum cost of the acquisition and construction of the Project and the issuance of the Series 2024 Bonds is \$2,273,000, \$1,325,000 of which will be obtained from a grant from the West Virginia Water Development Authority Economic Enhancement Grant Fund (\$75,000 of such \$1,325,000 being for the bid overrun), \$78,000 of which will be obtained from a contribution from the Issuer from funds lawfully available for such purpose and the remaining \$940,000 will be obtained from the sale of the Series 2024 Bonds described above.

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

G. It is in the best interest of the Issuer that its Series 2024 Bonds be issued and sold to the Purchaser (as hereinafter defined) pursuant to the terms and provisions of the Letter of Conditions dated September 27, 2023, as supplemented and amended by the Amendment thereto dated April 2, 2024 (collectively, the "Letter of Conditions").

H. There are outstanding obligations of the Issuer which will rank on parity with the Series 2024 Bonds as to liens and sources of and security for payment, which obligations (collectively, the "Prior Bonds") are designated as follows:

Water Refunding Revenue Bonds, Series 2016, dated April 22, 2016 ("Series 2016 Bonds"), issued in the original aggregate principal amount of \$2,990,000; and

Water Revenue Bonds, Series 2016 A (West Virginia DWTRF Program) dated June 2, 2016 ("Series 2016 A Bonds"), issued in the original aggregate principal amount of \$4,343,944; and

Water Refunding Revenue Bonds, Series 2016 C, dated November 10, 2016 ("Series 2016 C Bonds"), issued in the original aggregate principal amount of \$6,610,000; and

Water Revenue Bonds, Series 2020 A (West Virginia DWTRF Program), dated November 19, 2020 (the "Series 2020 A Bonds"), issued in the original aggregate principal amount of \$441,000; and

Water Refunding Revenue Bonds, Series 2021 A (Bank Qualified), dated April 1, 2021 (the "Series 2021 A Bonds"), issued in the original aggregate principal amount of \$4,700,000.

I. The Series 2024 Bonds shall be issued on parity with the Prior Bonds with respect to liens, pledges and sources of and security for payment and in all other respects. The Issuer has received or will receive prior to the bond closing date the consent of the registered

owner of the Series 2016 A Bonds and Series 2020 A Bonds to the issuance of the Series 2024 Bonds on a parity with the Series 2016 A Bonds and Series 2020 A Bonds. The Issuer has met the parity tests of the Prior Bonds and is not required to obtain the consent of the registered owners of the Series 2016 Bonds, Series 2016 C Bonds or Series 2021 A Bonds to the issuance of the Series 2024 Bonds on a parity with such bonds so long as the respective parity tests of such bonds have been met. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by the revenues or assets of the System.

J. The Issuer has complied with all requirements of West Virginia law and the Letter of Conditions relating to authorization of the planning, development, design, acquisition, construction and operation of the Project and the System and issuance of the Series 2024 Bonds or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project by a Resolution adopted by the Public Service Board of the Issuer and an Order approved by The County Commission of Wood County (the "County Commission Order"), the time for rehearing and appeal of which County Commission Order has expired prior to the issuance of the Series 2024 Bonds.

K. There are at least 3,794 residential and 170 non-residential bona fide users of the System.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2024 Bonds by those who shall be the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Bonds, as the case may be, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authorized Officer" means the Chairman of the Public Service Board of the Issuer or any other officer of the Issuer duly appointed by the Governing Body.

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

"Bond Registrar" means the Secretary of the Issuer or other entity designated as such in a Supplemental Resolution and its successors and assigns.

“Bondholder,” “Holder of the Bonds,” “Holder” 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.

“Bonds” means, collectively, the Prior Bonds, the Series 2024 Bonds and, where appropriate, any bonds on a parity therewith authorized to be issued hereunder or by another resolution of the Issuer.

“Cash Working Capital Reserve” means the cash working capital reserve required by Chapter 24, Article 1, Section 1(k) of the Code of West Virginia, 1931, as amended.

“Chairman” means the Chairman of the Governing Body or any temporary Chairman duly appointed by the Governing Body.

“Closing Date” means the date upon which there is an exchange of the Series 2024 Bonds for an advance of more than a de minimis amount of the principal of the Series 2024 Bonds by the Purchaser.

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

“Consulting Engineers” means Cerrone Associates, Inc., Wheeling, West Virginia, or any qualified engineer or firm of professional engineers, licensed by the State, who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions, that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

“Costs” or “Costs of the Project” means those costs described in Section 1.02D hereof to be a part of the cost of acquisition and construction of the Project.

“Depository Bank” shall mean United Bank or such other bank or banks may be designated in a Supplemental Resolution.

“Event of Default” means any occurrence or event specified in Section 9.01.

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

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

“Governing Body” means the Public Service Board 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, 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” shall mean any public accountant or certified public accountant or firm of public accountants or 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 Claywood Park Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Wood and Wirt Counties, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Letter of Conditions” means, collectively, the Letter of Conditions of the Purchaser dated September 27, 2023, and all amendments thereto, including without limitation the Amendments thereto dated April 4, 2024, and October 3, 2024.

“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, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles.

“Operation and Maintenance Fund” means the Operations and Maintenance Fund created or continued by Section 5.01 below.

“Outstanding,” when used with reference to Bonds as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, 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 and (iv) for purposes of consents or other action by a specified percentage of Bondholders, Bonds registered to the Issuer.

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

“Prior Bonds” means, collectively the Series 2016 Bonds, the Series 2016 A Bonds, the Series 2016 C Bonds, the Series 2020 A Bonds and the Series 2021 A Bonds.

“Prior Resolutions” means, collectively, the resolutions adopted by the Issuer authorizing the issuance of the Prior Bonds, each as supplemented and amended.

“Project” means the additions, betterments and improvements to the Issuer’s existing waterworks system, including the additions, betterments and improvements described in Exhibit A hereto.

“PSC” means the Public Service Commission of West Virginia or any successors thereof.

“Purchaser” or “Government” means the United States of America, acting through the United States Department of Agriculture, as the purchaser of the Series 2024 Bonds.

“Qualified Investments” means and includes any of the following:

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Demand or time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;
- (f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;
- (g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which

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

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

(i) Obligations of States or political subdivisions or agencies thereof, the interest on which is exempt from federal income taxation, and which are rated at least “A” by Moody’s Investors Service, Inc. or Standard & Poor’s Corporation.

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

“Registrar” means the Bond Registrar.

“Renewal and Replacement Fund” means the Renewal and Replacement Fund established with the Bank and continued by Section 5.01 hereof.

“Resolution” means, collectively, this resolution and any resolution of the Governing Body supplemental hereto.

“Reserve Accounts” means, collectively, the respective Reserve Accounts established for the Series 2024 Bonds and the Prior Bonds.

“Reserve Requirement” means, collectively, the respective amount required to be on deposit in the Reserve Accounts for the Series 2024 Bonds and Prior Bonds.

“Revenue Fund” means the Revenue Fund established or continued by Section 5.01 hereof.

“Secretary” means the Secretary of the Governing Body.

“Series 2016 Bonds” means the Water Refunding Revenue Bonds, Series 2016, dated April 22, 2016, issued in the original aggregate principal amount of \$2,990,000.

“Series 2016 A Bonds” means the Water Revenue Bond, Series 2016 A (West Virginia DWTRF Program), dated June 2, 2016, issued in the original aggregate principal amount of \$4,343,944.

“Series 2016 C Bonds” means the Water Refunding Revenue Bonds, dated November 10, 2016, issued in the original aggregate principal amount of \$6,610,000.

“Series 2020 A Bonds” means the Water Revenue Bonds, Series 2020 A (West Virginia DWTRF Program), dated November 19, 2020, and issued in the original aggregate principal amount of \$441,000.

“Series 2021 A Bonds” means the Water Refunding Revenue Bonds, Series 2021 A (Bank Qualified), dated April 1, 2021, issued in the original aggregate principal amount of \$4,700,000.

“Series 2024 Bonds” or “Series 2024 Bond” means the \$940,000 Water Revenue Bond, Series 2024 (United States Department of Agriculture) authorized hereby.

“Series 2024 Bonds Construction Trust Fund” means the Series 2024 Bonds Construction Trust Fund established by Section 5.02 hereof.

“Series 2024 Bonds Reserve Account” means the Series 2024 Bonds Reserve Account established in the Series 2024 Bonds Sinking Fund pursuant to Section 5.02 hereof.

“Series 2024 Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2024 Bonds in the then concurrent or any succeeding year.

“Sinking Funds” means, collectively, the respective Sinking Funds established for the Series 2024 Bonds and Prior Bonds.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution or order of the Issuer supplementing or amending this Resolution.

“Surplus Revenues” means the Net Revenues not required by the Bond Legislation 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 Renewal and Replacement Fund, the Cash Working Capital Reserve, the Sinking Funds and the Reserve Accounts, as further defined in Section 5.03(B) hereof.

“System” means the complete existing waterworks system now owned by the Issuer, consisting of a waterworks system in its entirety or any integral part thereof, including all mains, hydrants, meters, valves, standpipes, storage tanks, pump tanks, pumping stations, intakes, wells, impounding reservoirs, pumps, machinery, equipment, furniture, fixtures, purification plants and softening apparatus and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a water supply system, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the Issuer.

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

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

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.

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof,” and any similar terms refer to this Resolution; and the term “hereafter” means after the date of enactment of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition, construction and equipping of the Project, at an estimated cost of \$2,343,000, 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 foregoing Project costs, including without limitation costs associated with the issuance of the Series 2024 Bonds, shall be paid with the proceeds of the grant from the West Virginia Water Development Authority Economic Enhancement Grant Fund in the amount of \$1,325,000, of which \$75,000 is for the bid overrun, a contribution by the Issuer in the amount of \$78,000 and the proceeds of the Series 2024 Bonds in the amount of \$940,000. The proceeds of the Series 2024 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and has entered into or will enter into contracts for the acquisition, construction and equipping of the Project, which are in an amount and otherwise compatible with the financing plan submitted to the Purchaser.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Series 2024 Bonds. Subject and pursuant to the provisions hereof, the Bond of the Issuer, to be known as “Water Revenue Bond, Series 2024 (United States Department of Agriculture)”, is hereby authorized to be issued in the principal amount of \$940,000, for the purpose of financing the costs of the acquisition, construction and equipping of the Project.

Section 3.02. Description of Bond. The Series 2024 Bond shall be issued in single form, No. R-1, fully registered to the United States of America, acting through the United States Department of Agriculture, and shall be dated on the date of delivery. The Bond shall bear interest from date, payable monthly at the rate of 3.625% per annum, and shall be sold at the par value thereof. The Bond shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Series 2024 Bond. The Series 2024 Bond shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2024 Bond, and the right to the principal of, and stated interest on, the Series 2024 Bond, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2024 Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar.

Whenever the Series 2024 Bond shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new bond or bonds in authorized denominations, for a like aggregate principal amount. The Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Registrar with respect to such transfer.

No registration of transfer of the Series 2024 Bond shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2024 Bond.

Section 3.04. Registrar. The Secretary of the Issuer will keep or cause to be kept at the office of the Issuer, sufficient books for the registration and transfer of the Series 2024 Bond, and, upon presentation for such purpose, the Secretary shall register the Series 2024 Bond initially issued pursuant hereto and register the transfer, or cause to be registered, on such books, the transfer of the Series 2024 Bond as hereinbefore provided.

Section 3.05. Execution of Bond. The Series 2024 Bond shall be executed in the name of the Issuer by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary.

Section 3.06. Mutilated, Destroyed, Stolen or Lost Series 2024 Bond. In case the Series 2024 Bond shall become mutilated, destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new bond of like tenor as the Series 2024 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2024 Bond or in lieu of and substitution for the Series 2024 Bond destroyed, stolen or lost, and upon the holder of the Series 2024 Bond furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2024 Bond so surrendered shall be canceled and held for the account of the Issuer. If the Series 2024 Bond shall have matured or be about to mature, instead of issuing a substitute Series 2024 Bond the

Issuer may pay the same, and, if such bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Series 2024 Bond not to be Indebtedness of the Members of the Public Service Board of the Issuer. The Series 2024 Bond shall not be or constitute an indebtedness of the members of the Public Service Board of the Issuer but shall be payable solely from the Net Revenues and from funds in the Revenue Fund.

Section 3.08. Series 2024 Bond Secured by Pledge of Net Revenues, Funds and Unexpended Series 2024 Bond Proceeds. Payment of the Series 2024 Bond shall be secured forthwith by a first lien on the Net Revenues derived from the System and the funds on deposit in the Revenue Fund on a parity with the Prior Bonds in addition to the statutory mortgage lien on the System provided for herein. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2024 Bond, and to make the payments as hereinafter provided, together with the funds on deposit in the Revenue Fund and the unexpended proceeds of the Series 2024 Bond are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2024 Bond as the same become due.

Section 3.09. Form of Series 2024 Bond. Subject to the provisions hereof, the text of the Series 2024 Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

Form of Series 2024 Bond

**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CLAYWOOD PARK PUBLIC SERVICE DISTRICT
WATER REVENUE BOND
SERIES 2024 (UNITED STATES DEPARTMENT OF AGRICULTURE)**

No. R-1

\$940,000

CLAYWOOD PARK PUBLIC SERVICE DISTRICT, a public service district and political subdivision of the State of West Virginia in Wood and Wirt Counties of said State (the "Issuer"), for value received, promises to pay to the order of the United States of America, acting through the United States Department of Agriculture (the "Purchaser"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Purchaser may hereafter designate in writing, the principal sum of NINE HUNDRED FORTY THOUSAND DOLLARS (\$940,000.00), plus interest on the unpaid principal balance at the rate of three and five-eighths per cent (3.625%) per annum. The said principal and interest shall be paid in the following installments on the following dates: annual installments of interest only shall be due and payable on _____, 2025, and on _____, 2026, and commencing on _____, 2026, and on the corresponding day of each month thereafter monthly installments in the amount of \$3,807.00, covering principal and interest, shall be due and payable, except that all unpaid principal of and interest on this Series 2024 Bond shall be paid in full at the end of 40 years from the date of this Series 2024 Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount hereof is not advanced at the time of closing, the proceeds hereof shall be advanced to Issuer as requested by Issuer and approved by the Purchaser and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made hereon shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer. Refunds and extra payments, as defined in the regulations of the Purchaser according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Series 2024 Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the Purchaser at any time assigns this Series 2024 Bond and insures the payment thereof, Issuer shall continue to make payments to the Purchaser as collection agent for the Holder.

While this Series 2024 Bond is held by an insured lender, prepayments made by Issuer may, at the option of the Purchaser, be remitted by the Purchaser to the Holder promptly or, except for final payment, be retained by the Purchaser and remitted to the Holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Issuer, except payments retained and remitted by the Purchaser on an annual installment due date basis, shall be the date of the United States Treasury check by which the Purchaser remits the payment to the Holder. The effective date of any prepayment retained and remitted by the Purchaser to the Holder on an annual installment due date basis shall be the date of the prepayment by Issuer and the Purchaser will pay the interest to which the Holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the Holder.

Any amount advanced or expended by the Purchaser for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Purchaser shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Issuer to the Purchaser without demand. Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Purchaser.

Issuer hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing rates and terms in or near its community for loans for similar purposes and periods of time.

This Series 2024 Bond and the Prior Bonds, as hereinafter defined, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing such funds for financing costs of construction of repairs, replacements and improvements to the waterworks system (the "System") of the Issuer, are payable solely from the Revenues to be derived from the operation of the System after there have been first paid from such Revenues the reasonable current costs of operation and maintenance of the System. This Series 2024 Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation.

Registration of this Series 2024 Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Secretary of the Issuer, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolutions hereinafter described, and upon surrender and cancellation of this Series 2024 Bond. Upon such transfer a new Series 2024 Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Series 2024 Bond, under the provisions 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, but may only be transferred by transfer of registration hereof with the Secretary of the Issuer.

This Series 2024 Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16,

Article 13A of the Code of West Virginia, 1931, as amended (herein called the “Act”), and the Bond Resolution of the Issuer adopted on _____, 2024 (the “Resolution”).

If at any time it shall appear to the Purchaser that Issuer may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Issuer will, at Purchaser’s request, apply for and accept such loan in sufficient amount to repay the Purchaser.

This Series 2024 Bond is given as evidence of a loan to Issuer made or insured by the Purchaser pursuant to the Consolidated Farmers Home Rural Development Act. This Series 2024 Bond shall be subject to the present regulations of the Farmers Home Administration and its successors and assigns and to future regulations not inconsistent with the express provisions hereof.

THIS SERIES 2024 BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER’S: (A) WATER REFUNDING REVENUE BONDS, SERIES 2016, DATED APRIL 22, 2016, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$2,990,000; (B) WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA DWTRF PROGRAM) DATED JUNE 2, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,343,944; (C) WATER REFUNDING REVENUE BONDS, SERIES 2016 C, DATED NOVEMBER 10, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$6,610,000; (D) WATER REVENUE BONDS SERIES 2020 A (WEST VIRGINIA DWTRF PROGRAM), DATED NOVEMBER 19, 2020, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$441,000; AND (E) WATER REFUNDING REVENUE BONDS, SERIES 2021 A (BANK QUALIFIED), DATED APRIL 1, 2021, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,700,000 (COLLECTIVELY, THE “PRIOR BONDS”).

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, this Series 2024 Bond will be in default should any proceeds of the Series 2024 Bond be used for a purpose that will contribute to excessive erosion of highly erodible land or the conversion of wetlands to produce an agricultural commodity.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the CLAYWOOD PARK PUBLIC SERVICE DISTRICT has caused this Series 2024 Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary and has caused this Series 2024 Bond to be dated _____, 2024.

CLAYWOOD PARK PUBLIC
SERVICE DISTRICT

Attest:

Secretary, Public Service Board

By: _____
Chairman, Public Service Board

[CORPORATE SEAL]

RECORD OF ADVANCES			
AMOUNT	DATE	AMOUNT	DATE
(1) \$		(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	
TOTAL \$			

Date of
Registration

_____, 2024

In Whose Name
Registered

United States of America,
Acting through the United States
Department of Agriculture
1550 Earl Core Road, Suite 101
Morgantown, WV 26505

Signature of
Secretary or Registrar

FORM OF ASSIGNMENT

Pay to the Order of _____

_____.

UNITED STATES OF AMERICA,
ACTING THROUGH THE UNITED
STATES DEPARTMENT OF
AGRICULTURE

By: _____
(Title)

Section 3.10. Series 2024 Bonds are Issued as Parity Bonds With Respect to Prior Bonds. The Series 2024 Bonds are issued as and shall constitute parity bonds with respect to the Prior Bonds. The Issuer has received the consent of the Holder of all of the Outstanding Prior Bonds for the issuance of the Series 2024 Bonds on a parity with the Prior Bonds.

ARTICLE IV

RESERVED

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- A. Revenue Fund;
- B. Operations and Maintenance Fund;
- C. Renewal and Replacement Fund; and
- D. Series 2024 Bonds Construction Trust Fund.

Section 5.02. Establishment or Continuance of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by the Prior Resolutions) with the Commission:

- (A) Series 2016 Bonds Sinking Fund;
- (B) Within the Series 2016 Bonds Sinking Fund;
 - (i) Series 2016 Bonds Reserve Account; and
 - (ii) Series 2016 Bonds Redemption Account;
- (C) Series 2016 A Bonds Sinking Fund;
- (D) Within the Series 2016 A Bonds Sinking Fund, the Series 2016 A Bonds Reserve Account;
- (E) Series 2016 C Bonds Sinking Fund;
- (F) Within the Series 2016 C Bonds Sinking Fund;

- (i) Series 2016 C Bonds Reserve Account; and
 - (ii) Series 2016 C Bonds Redemption Account;
- (G) Series 2020 A Bonds Sinking Fund;
- (H) Within the Series 2020 A Bonds Sinking Fund, the Series 2020 A Bonds Reserve Account;
- (I) Series 2021 A Bonds Sinking Fund;
- (J) Within the Series 2021 A Bonds Sinking Fund;
 - (i) Series 2021 A Bonds Reserve Account; and
 - (ii) Series 2021 A Bonds Redemption Account; and
- (K) Series 2024 Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

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

1. The Issuer shall first each month pay from the monies in the Operations and Maintenance Fund deposited therein from the Revenue Fund all 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 (i) make the interest payments on the Prior Bonds in the amounts and to the places required by the Prior Resolutions; and (ii) remit to the National Finance Office designated in the Series 2024 Bonds the amount required to pay the interest on the Series 2024 Bonds as set forth in the Series 2024 Bonds.

3. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) make the principal payments on the Prior Bonds in the amounts and to the places required by the Prior Resolutions; and (ii) remit to the National Finance Office designated in the Series 2024 Bonds, commencing 25 months following the date of delivery of the Series 2024 Bonds, the amount of principal due on the Series 2024 Bonds as set forth in the Series 2024 Bonds.

4. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) make the reserve account payments into the Reserve Accounts of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii)

commencing with and including the month in which the first principal installment is due upon the Series 2024 Bonds, if not fully funded upon issuance of the Series 2024 Bonds, remit to the Commission for deposit in the Series 2024 Bonds Reserve Account, an amount equal to 1/120th of the Series 2024 Bonds Reserve Requirement until the amount in the Series 2024 Bonds Reserve Account equals the Series 2024 Bonds Reserve Requirement.

5. So long as any of the Prior Bonds remain Outstanding, the Issuer shall comply with any requirements set forth in the applicable Prior Resolutions relating to deposits into the Renewal and Replacement Fund.

6. The Issuer shall next, each month, transfer from the monies remaining in the Revenue Fund the amount required, if any, to fund or maintain the Cash Working Capital Reserve at the required level. All funds in the Cash Working Capital Reserve shall be kept separate and 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 Cash Working Capital Reserve for such purposes as permitted by the laws and regulations of the State in effect at such time.

Moneys in the Series 2024 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2024 Bonds, as the same shall come due, when other moneys in the Revenue Fund are insufficient therefor, for prepayment of installments on the Series 2024 Bonds or for mandatory prepayment of the Series 2024 Bonds as provided herein, and for no other purpose.

All investment earnings on moneys in the Series 2024 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 2024 Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing installment of principal and interest due on the Series 2024 Bonds.

Any withdrawals from the Series 2024 Bonds Reserve Account which result in a reduction in the balance of the Series 2024 Bonds Reserve Account to below the Series 2024 Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the priority set forth above.

As and when additional Bonds ranking on a parity with the Series 2024 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2024 Bonds Reserve Account when the aggregate amount of funds therein is at least equal to the aggregate principal amount of the Series 2024 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue 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 2024 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 2024 Bonds Reserve Account created hereunder, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Whenever the money in the Series 2024 Bonds Reserve Account shall be sufficient to prepay the Series 2024 Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2024 Bonds at the earliest practical date and in accordance with the applicable provisions hereof.

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 next succeeding business day of each month), deposit with the Commission the required reserve account payment with respect to the Series 2024 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. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

D. The Issuer shall remit from the Revenue Fund to the Commission on such dates as the Commission shall require, such additional sums as shall be necessary to pay its charges and fees then due.

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the

same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

H. All Tap Fees shall be deposited by the Issuer, as received, in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 2024 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2024 Bonds, there shall first be deposited in the Series 2024 Bonds Construction Trust Fund and then paid, any and all borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, together with interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

B. As the Issuer receives advances of the remaining moneys derived from the sale of such Series 2024 Bonds, such moneys shall be deposited with the Depository Bank in the Series 2024 Bonds Construction Trust Fund. The monies in the Series 2024 Bonds Construction Trust Fund shall be applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 and until so transferred or expended, are hereby pledged as additional security for the Series 2024 Bonds.

C. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs of the Project have been paid, any remaining proceeds of the Series 2024 Bonds shall be expended in accordance with the regulations of the Purchaser.

Section 6.02. Disbursements From the Series 2024 Bonds Construction Trust Fund. The moneys in the Series 2024 Bonds Construction Trust Fund in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of state and municipal funds under West Virginia law. Moneys in the Series 2024 Bonds Construction Trust Fund shall be expended by the Issuer solely for the purposes provided herein.

Until completion of acquisition, construction and equipping of the Project, the Issuer will transfer from the Series 2024 Bonds Construction Trust Fund and pay to the Purchaser on or before the due date thereof, such sums as shall be from time to time required to make the monthly installment payments on the Series 2024 Bonds if there are not sufficient Net Revenues to make such monthly payment.

Moneys in the Series 2024 Bonds Construction Trust Fund shall be used solely to pay the cost of acquisition, construction and equipping of the Project upon vouchers and other documentation approved by the Purchaser.

If the Issuer shall determine at any time that all funds on deposit in the Series 2024 Bonds Construction Trust Fund exceed the amount needed immediately for disbursements on account of the Project, the Issuer may invest such excess funds in Qualified Investments. All such investments and the income therefrom shall be carried to the credit of the Series 2024 Bonds Construction Trust Fund.

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 2024 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 2024 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 said Series 2024 Bonds or the interest thereon is Outstanding and unpaid. Further, all the covenants, agreements and provisions of the respective Prior Resolutions shall remain in full force and effect so long as any of the Prior Bonds remain Outstanding.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2024 Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2024 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay said Series 2024 Bonds or the interest thereon.

Section 7.03. Series 2024 Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2024 Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, on parity with the lien on said Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2024 Bonds and to make the payments into the sinking funds, including the reserve accounts therein, and all other payments provided for in the Bond Legislation and the Prior Resolutions are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Series 2024 Bonds and the Prior Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained 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 and shall initially be as set forth in the Resolution adopted by the Public Service Board of the Issuer on April 11, 2023, and in the May 22, 2023 Order of The County Commission of Wood County.

So long as any of the Series 2024 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. In the event the schedule of rates and charges initially established for the System in connection with the Series 2024 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation, the Issuer hereby covenants and agrees that it will, to the extent and in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation.

Section 7.05. Sale of the System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the respective Prior Resolutions. Additionally, so long as the Series 2024 Bonds are Outstanding and except as otherwise required by law or with the written consent of the Purchaser, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Series 2024 Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2024 Bonds, be immediately remitted to the National Finance Office and applied to the payment of principal of and interest, if any, on the Series 2024 Bonds. Any balance remaining after the payment of all the Series 2024 Bonds and Prior Bonds and interest thereon shall be remitted to the Issuer by the Purchaser 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 \$250,000, 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 \$250,000 but not in excess of \$1,000,000, the Issuer shall first, in writing, determine upon consultation with the Consulting Engineers 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 derived from any such sale, lease or other disposition of such property shall be deposited in the Renewal and Replacement Fund. Such payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund 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 \$1,000,000 and insufficient to pay the Series 2024 Bonds and Prior Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Series 2024 Bonds and Prior Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Series 2024 Bonds and Prior 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 in this Section 7.06 and in Section 7.07, so long as any of the Series 2024 Bonds are Outstanding, 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 2024 Bonds. All obligations issued by the Issuer after the issuance of the Series 2024 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 2024 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 2024 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2024 Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

Section 7.07. Parity Bonds. So long as any of the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the respective Prior Resolutions shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2024 Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2024 Bonds and must have the prior written consent of the Purchaser.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the design, construction or acquisition of extensions, improvements or betterments to the System or refunding all or a portion of any of the Prior Bonds, the Series 2024 Bonds issued pursuant hereto or all or a portion of one or more subsequent series of Parity Bonds, or both such purposes.

So long as the Series 2024 Bonds are Outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

- (1) The Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

The foregoing limitation may be waived or modified by the written consent of the Registered Owners of the Series 2024 Bonds, representing 75% of the then outstanding principal indebtedness.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2024 Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation or separate resolution authorized said parity Bonds required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2024 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2024 Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation and the Prior Resolutions with respect to the Series 2024 Bonds and Prior Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the costs of acquiring the Project site and acquiring, constructing and installing the Project. The Issuer shall permit the Purchaser, 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 Purchaser such documents and information as they may reasonably require in connection with the 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 Purchaser, or its 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 PSC. 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 Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Purchaser, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of 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 with respect to said Bonds and Prior Bonds and the status of all said funds and accounts.
- C. The amount of any Bonds 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 in compliance with the applicable OMB Circular and the Single Audit Act or successor thereto in effect at the time, to the extent required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds and shall submit said report to the West Virginia Water Development Authority (the "Authority") and the Purchaser or any other original purchaser of the Bonds. Such audit report submitted to the Purchaser shall include a statement that the Issuer is in compliance with the terms and provisions of the Act and this Bond Legislation, and that the Issuer's revenues are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of 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 permit the Purchaser, or its 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 Purchaser, or its 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 Authority and the Purchaser with respect to the System pursuant to the Act.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule 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 reasonable expenses of operation, repair and maintenance 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 Series 2024 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2024 Bonds, including without limitation the Prior Bonds; provided that, in the event that (i) amounts equal to or in excess of the reserve requirements are on deposit, respectively, in the Series 2024 Bonds Reserve Account and reserve accounts for obligations on a parity with the Series 2024 Bonds, including without limitation the Prior Bonds, are funded at least at the requirement therefor, and (ii) the Series 2016 Bonds, the Series 2016 C Bonds and the Series 2021 A Bonds are no longer outstanding, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2024 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2024 Bonds, including without limitation the Prior Bonds.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Purchaser within 30 days of adoption thereof. The Issuer, with the approval of the Governing Body, may amend the budget during the subject Fiscal Year provided that the budget remains balanced after such amendment. If the budget is so amended, a copy of the

amended budget shall be submitted to the Purchaser within 15 days of the adoption of such amendment. After the adoption of any such amendment, the budget, as amended, shall be the budget of the Issuer for the balance of the subject Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance to the Purchaser and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets, any amendments thereto and resolutions be furnished him or her and shall make available such budgets, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Purchaser, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Purchaser 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 Purchaser 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 Purchaser and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System so long as the Series 2024 Bonds are Outstanding.

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 PSC 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 20 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the PSC, 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 PSC, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the service of the System and will not restore such services 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 the Issuer shall take all further actions to enforce collections to the maximum extent permitted by law.

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Series 2024 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies will be placed in the Renewal and Replacement Fund and shall be 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 Purchaser, the prime contractor and all subcontractors as their respective interests may appear during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

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

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

(6) FIDELITY BONDS, will be provided for 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 Authority and the Purchaser. The Issuer shall verify such insurance prior to commencement of construction.

Section 7.16. Completion and Operation of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the PSC necessary for the acquisition and construction of the Project and the operation of the System and all approvals

for issuance of the Series 2024 Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

Section 7.17. Compliance With Law. The Issuer shall perform, satisfy and comply with all terms and conditions of the Act. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Purchaser 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 7.18. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2024 Bonds or within thirty days 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 Purchaser for written approval. The Issuer shall obtain the written approval of the Purchaser before expending any proceeds of the Series 2024 Bonds held in “contingency”. The Issuer shall also obtain the written approval of the Purchaser before expending any proceeds of the Series 2024 Bonds made available due to bid or construction or project underruns.

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

Section 7.19. Connections. To the extent permitted by the laws of the State and rules and regulations of the PSC, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2024 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 2024 Bonds and shall be for the equal benefit of all Holders of each respective series of Series 2024 Bonds; provided, however, that the statutory mortgage lien in favor of the Holders of the Series 2024 Bonds shall be on parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.21. Wetlands Covenant. The Issuer shall not use any Series 2024 Bond proceeds for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity. Failure to comply with this covenant shall constitute an Event of Default under Section 9.01 of this Resolution.

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation 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 moneys 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 moneys 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, the 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 or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year during which the respective banks hold any such funds, accounts or investments (or more often if reasonably requested by the Issuer), a summary of such funds, accounts, and investment earnings.

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 2024 Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest on any of the Series 2024 Bonds; or
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2024 Bonds, set forth in this Bond Legislation, any supplemental resolution or in the Series 2024 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 Purchaser, the Commission, the Depository Bank or any other Paying Agent or other Holder of a Series 2024 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 a default occurs under any of the Prior Bonds or any of the Prior Resolutions.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Holders of the Bonds, 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 Holders 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 2024 Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Holder 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, 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 Holder 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 avenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby,

and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Holders 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 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 2024 Bonds. If the Issuer shall pay or there shall otherwise be paid, to the respective Holders of all Series 2024 Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2024 Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2024 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Except through such direct payment to the Holder of the Series 2024 Bonds, the Issuer may not defease the Series 2024 Bonds or otherwise provide for payment thereof by escrow or like manner.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Series 2024 Bonds, this Resolution may be amended or supplemented in any way by Supplemental Resolution. Following issuance of the Series 2024 Bonds, no material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Series 2024 Bonds shall be made without the consent in writing of the Holders of the Series 2024 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Series 2024 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 respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that

would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Holders of the Bonds and no change, variation or alteration of any kind of the provisions of the 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 Resolution 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 Resolution, the Supplemental Resolution, or the Series 2024 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. All orders, ordinances, or resolutions and or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the respective Prior Bonds or any portion thereof are Outstanding.

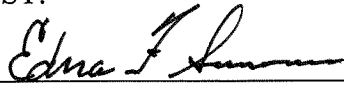
Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the enactment of this Resolution do exist, have happened, have been performed and have been taken in regular 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 members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Time. This Resolution shall take effect upon adoption.

Adopted November 6, 2024.


Chairman

ATTEST:

By: 
Secretary

[SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT

Acquisition, construction and equipping of additions, betterments and improvements to the water distribution system of Claywood Park Public Service District including without limitation the replacement of approximately 13,000 LF of old, failing 6-inch line along Dutch Ridge Road with upgrade for fire service to 78 customers, installation of new lines under US Route 50 at Dutch Ridge Road and Meadville Road and a 400 LF directional drill along Meadville Road to replace old failing lines, installation of approximately 1,000 radio read meters and related facilities.

Bowles Rice

Attorneys at Law

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304.347.1100

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Martinsburg, WV 25401

125 Granville Square, Suite 400
Morgantown, WV 26501

501 Avery Street
Parkersburg, WV 26101

Southpointe Town Center
1800 Main Street, Suite 200
Canonsburg, PA 15317

480 West Jubal Early Drive, Suite 130
Winchester, VA 22601

November 8, 2024

bowlesrice.com

Claywood Park Public Service District
594 Davisville Road
Davisville, West Virginia 26142

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

United States Department of Agriculture
Rural Development
1550 Earl Core Road, Suite 101
Morgantown, West Virginia 26505

West Virginia Department of Environmental
Protection
601 57th Street, S.E.
Charleston, West Virginia 25304

West Virginia Bureau for Public Health
350 Capitol Street, Room 313
Charleston, West Virginia 25301-3713

Re: \$940,000 Claywood Park Public Service District
Water Revenue Bonds, Series 2024
(United States Department of Agriculture)

Ladies and Gentlemen:

We have examined a record of the proceedings relating to the issue of the Water Revenue Bonds, Series 2024 (United States Department of Agriculture), of Claywood Park Public Service District, Claywood Park, West Virginia (the "District"), in the principal amount of \$940,000 dated on the date hereof, bearing interest from the date of delivery (the "Series 2024 Bonds"). The Series 2024 Bonds bear interest at the rate of 3.625% per annum and are represented by a single bond numbered R-1.

The Series 2024 Bonds have been authorized by Resolution duly adopted on November 6, 2024, by the Public Service Board of the District, which is the governing body of the District (the "Bond Resolution"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Bond Resolution.

Interest only on the Series 2024 Bonds is due and payable in annual installments on November 8, 2025, and on November 8, 2026, and commencing on December 8, 2026, and on the corresponding day of each month thereafter monthly installments in the amount of \$3,807.00, covering principal and interest, shall be due and payable, except that all unpaid principal of and interest on the Series 2024 Bonds shall be paid in full at the end of 40 years from the date of the Series 2024 Bonds.

Bowles Rice

Claywood Park Public Service District
United States Department of Agriculture
November 8, 2024
Page 2

Principal installments on the Series 2024 Bonds are subject to payment in advance as provided therein and in the Bond Resolution.

The Bond Resolution and the Series 2024 Bonds provide that the issue is for the purpose of financing the costs of construction and acquisition of additions and improvements to the existing water system of the District (herein called the “System”).

The Series 2024 Bonds have been awarded to the United States of America at par. There are outstanding obligations of the District which rank on a parity with the Series 2024 Bonds as to liens and source of and security for payment, as follows: (i) Water Refunding Revenue Bonds, Series 2016, dated April 22, 2016, issued in the original aggregate principal amount of \$2,990,000; (ii) Water Revenue Bonds, Series 2016 A (West Virginia DWTRF Program) dated June 2, 2016, issued in the original aggregate principal amount of \$4,343,944; (iii) Water Refunding Revenue Bonds, Series 2016 C, dated November 10, 2016, issued in the original aggregate principal amount of \$6,610,000; (iv) Water Revenue Bonds, Series 2020 A (West Virginia DWTRF Program), dated November 19, 2020, issued in the original aggregate principal amount of \$441,000; and (v) Water Refunding Revenue Bonds, Series 2021 A (Bank Qualified), dated April 1, 2021, issued in the original aggregate principal amount of \$4,700,000 (collectively, the “Prior Bonds”).

It is our opinion that:

1. The District is a duly organized and presently existing public service district and a political subdivision of the State of West Virginia with full power and authority to construct, operate and maintain the System and issue and sell the Series 2024 Bonds, all under the provisions of Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended, (the “Act”) and other applicable provisions of law.
2. The members and officers of the Public Service Board of the District have been duly and properly appointed and elected, have taken the requisite oaths and are authorized to act in their respective capacities on behalf of the District.
3. The District has legally and effectively adopted the Bond Resolution and other resolutions in connection with the Series 2024 Bonds and has sold and delivered the Series 2024 Bonds to the United States of America, acting through the United States Department of Agriculture.
4. To the best of our knowledge, the execution and delivery of the Series 2024 Bonds and other documents by the District will not conflict with or cause a breach or default on the District’s part under any other agreement to which the District is a party.
5. The Series 2024 Bonds constitutes a valid and legally enforceable special obligation of the District secured by and payable solely from a first lien on and pledge of the net revenues of the System on a parity with the lien of the District’s Prior Bonds to finance a portion of the costs of the Project, all in accordance with the terms of the Series 2024 Bonds and the Bond Resolution.

Bowles Rice

Claywood Park Public Service District
United States Department of Agriculture
November 8, 2024
Page 3

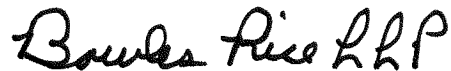
6. The Series 2024 Bonds are not being issued on the basis that the interest thereon is or will be excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Series 2024 Bonds.

7. The Series 2024 Bonds are, by statute, exempt from all taxation by the State of West Virginia and other taxing bodies of the State.

8. To our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transaction contemplated by that certain Letter of Conditions dated September 27, 2023, as supplemented and amended by the Amendments thereto dated April 2, 2024, and October 3, 2024, from the United States Department of Agriculture to the District, the Bond Resolution, construction of the Project, operation of the System or the validity of the Series 2024 Bonds or the issuance of the Series 2024 Bonds or the collection of the Gross Revenues or pledge of the Net Revenues of the System for the payment of the Series 2024 Bonds.

It is to be understood that the rights of the holders of the Series 2024 Bonds and the enforceability of the Series 2024 Bonds, the Bond Resolution and liens and pledges set forth therein may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights (to the extent constitutionally applicable) and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

A handwritten signature in black ink that reads "Bowles Rice LLP". The signature is written in a cursive, flowing style.

BOWLES RICE LLP

**CLAYWOOD PARK PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2024
(UNITED STATES DEPARTMENT OF AGRICULTURE)**

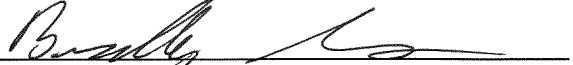
CONSENT TO ISSUANCE OF PARITY BONDS

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Bennett & Dobbins PLLC, independent certified public accountants, and the opinion of Bowles Rice LLP, Bond Counsel, that the applicable coverage and parity tests have been met on behalf of the Claywood Park Public Service District (the “Issuer”), the undersigned authorized representative of the West Virginia Water Development Authority (the “Authority”), for the Authority, as the registered owner of the Issuer’s (i) Water Revenue Bonds, Series 2016 A (West Virginia DWTRF Program) dated June 2, 2016, issued in the original aggregate principal amount of \$4,343,944; and (ii) Water Revenue Bonds, Series 2020 A (West Virginia DWTRF Program), dated November 19, 2020, issued in the original aggregate principal amount of \$441,000 (collectively, the “WDA Bonds”), hereby consents to the issuance of the Issuer’s Water Revenue Bonds, Series 2024 (United States Department of Agriculture) dated November 8, 2024, in the aggregate principal amount of \$940,000, on a parity with respect to liens, pledges and sources of and security for payment with the WDA Bonds.

Dated this 8th day of November 2024.

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY


Authorized Representative

CLAYWOOD PARK PUBLIC SERVICE DISTRICT
\$940,000 WATER REVENUE BONDS, SERIES 2024
(UNITED STATES DEPARTMENT OF AGRICULTURE)

RECEIPT FOR SERIES 2024 BOND

The undersigned, for the United States Department of Agriculture, hereby certifies as follows:

1. On the 8th day of November 2024, the undersigned received from Claywood Park Public Service District the single Claywood Park Public Service District Water Revenue Bond, Series 2024 (United States Department of Agriculture), No. R-1 (the "Series 2024 Bond"), in the principal amount of \$940,000 dated as of the date hereof, bearing interest at the rate of 3.625% per annum, payable in installments as stated in the Series 2024 Bond.

2. At the time of such receipt, the Series 2024 Bond had been executed and sealed by the Chairman and Secretary of the Public Service Board of the District.

3. At the time of such receipt, there was paid to the District the sum of \$332,510.69 from the proceeds of the Series 2024 Bond.

WITNESS my signature on the 8th day of November 2024.

UNITED STATES OF AMERICA,
ACTING THROUGH THE UNITED STATES
DEPARTMENT OF AGRICULTURE

By: _____



Name: Alan L. Harris

Its: Area Director, USDA Rural Development

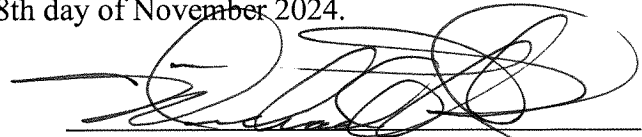
CLAYWOOD PARK PUBLIC SERVICE DISTRICT
\$940,000 WATER REVENUE BONDS, SERIES 2024
(UNITED STATES DEPARTMENT OF AGRICULTURE)
RECEIPT FOR SERIES 2024 BOND PROCEEDS

The undersigned, for Claywood Park Public Service District, Wood and Wirt Counties, West Virginia, hereby certifies as follows:

1. On the 8th day of November 2024, Claywood Park Public Service District received from the United States Department of Agriculture \$332,510.69 of the proceeds from the single Claywood Park Public Service District Water Revenue Bond, Series 2024 (United States Department of Agriculture), No. R-1 (the "Series 2024 Bonds"), in the principal amount of \$940,000 dated as of November 8, 2024, bearing interest at the rate of 3.625% per annum, payable in installments as stated in the Series 2024 Bonds.

2. At the time of such receipt, the Series 2024 Bond had been executed and sealed by the Chairman and Secretary of the Public Service Board of the District.

WITNESS my signature on the 8th day of November 2024.



Chairman, Public Service Board
Claywood Park Public Service District



Bennett & Dobbins PLLC

CERTIFIED PUBLIC ACCOUNTANTS

317 Cleveland Avenue

Fairmont, WV 26554-1604

Telephone: (304) 366-4295 Fax: (304) 366-4311

ZACHARY D. DOBBINS, CPA
PHILLIP J. NUCE, CPA

November 8, 2024

CLAYWOOD PARK PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2024
(UNITED STATES DEPARTMENT OF AGRICULTURE)

CERTIFICATE OF CERTIFIED PUBLIC ACCOUNTANT

Claywood Park Public Service District
594 Davisville Road
Davisville, West Virginia 26142

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

Bowles Rice LLP
600 Quarrier Street
Charleston, West Virginia 25301

West Virginia Department of Environmental
Protection
601 57th Street, S.E.
Charleston, West Virginia 25304

United States Department of Agriculture
Rural Development
1550 Earl Core Road, Suite 101
Morgantown, West Virginia 26505

West Virginia Bureau for Public Health
350 Capitol Street, Room 313
Charleston, West Virginia 25301-3713

Ladies and Gentlemen:

Based upon the rates and charges for the water system (the "System") of Claywood Park Public Service District (the "Issuer") approved (i) by the unappealable Resolution adopted by the Public Service Board of the Issuer on first reading on March 14, 2023, and on second reading on April 11, 2023, following a public hearing held on such date; and (ii) by the Order of The County Commission of Wood County dated May 22, 2023, pursuant to W. Va. Code Section 16-13A-9(a)(2) (collectively, the "Rate Approvals"), which rates and charges will become effective upon substantial completion of the project being financed in part with proceeds of the Series 2024 Bonds, as hereinafter defined, and the projected operating expenses and anticipated customer usage as furnished to us by the Issuer, it is our opinion that such rates and charges will be sufficient (i) to provide for all reasonable expenses of operation, repair and maintenance 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 Issuer's Water Revenue Bonds, Series 2024 (United States Department of Agriculture) (the "Series 2024 Bonds"), to be issued to the United States of America, acting through the United States Department of Agriculture, in the aggregate principal amount of \$940,000, and all other obligations secured by or payable from the revenues of the System on a parity with the Series 2024 Bonds, including the Water Refunding Revenue Bonds, Series 2016, dated April 22, 2016,

issued in the original aggregate principal amount of \$2,990,000; Water Revenue Bonds, Series 2016 A (West Virginia DWTRF Program) dated June 2, 2016, issued in the original aggregate principal amount of \$4,343,944; Water Refunding Revenue Bonds, Series 2016 C, dated November 10, 2016, issued in the original aggregate principal amount of \$6,610,000; Water Revenue Bonds, Series 2020 A (West Virginia DWTRF Program) dated November 19, 2020, issued in the original aggregate principal amount of \$441,000; and Water Refunding Revenue Bonds, Series 2021 A (Bank Qualified), dated April 1, 2021, issued in the original aggregate principal amount of \$4,700,000 (collectively, the "Prior Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Bond Resolution adopted by the Issuer on November 6, 2024.

Further, it is our opinion that the Net Revenues actually derived from the System during 12 consecutive months within the 18 months immediately preceding the date hereof, 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 Series 2024 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 Series 2024 Bonds and the Prior Bonds.

Finally, it is our opinion that the Net Revenues from the System for the Fiscal Year following the Fiscal Year in which such Series 2024 Bonds have been issued are not less than 120% of the average annual debt service requirements on the Series 2024 Bonds and the Prior Bonds.

In the course of our due diligence to render this Certificate, we have reviewed the books and records of the System and further opine as follows:

(a) The Debt Service Reserve Funds for the Prior Bonds are each funded or are being funded at the level required by the respective resolution of the Issuer authorizing the issuance of such Prior Bonds (collectively, the "Prior Resolutions");

(b) The Renewal and Replacement Fund required by the Prior Resolutions is established and the rates and charges for the System set forth in the Rate Approvals are sufficient to make the required deposits in the Renewal and Replacement Fund; and

(c) The Working Capital Reserve Account required by the W. Va. Code Section 24-1-1(k) is established and the proposed rates and charges for the System set forth in the Rate Approvals are sufficient to make the required deposits in the Working Capital Reserve Account.

Very truly yours

Bennett & Dobbins PLLC

Bennett & Dobbins PLLC

Bowles Rice

Attorneys at Law

600 Quarrier Street, Charleston, WV 25301
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Camden P. Siegrist
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T 304.347.1129
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RECEIVED

DEC 30 2024

MBC

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Morgantown, WV 26501

501 Avery Street
Parkersburg, WV 26101

1217 Chapline Street
Wheeling, WV 26003

Southpointe Town Center
1800 Main Street, Suite 200
Canonsburg, PA 15317

480 West Jubal Early Drive, Suite 130
Winchester, VA 22601

bowlesrice.com

December 30, 2024

John K. Tennant, Acting Executive Director
West Virginia Municipal Bond Commission
900 Pennsylvania Avenue, Suite 1117
Charleston, West Virginia 25301

VIA HAND DELIVERY

Re: Claywood Park Public Service District Water Revenue Bonds, Series 2024
(United States Department of Agriculture)

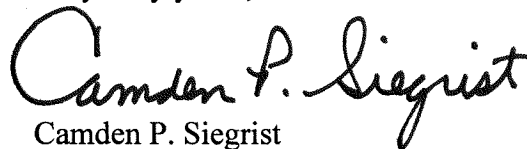
Dear Mr. Tennant:

Please find enclosed the West Virginia Municipal Bond Commission New Issue Report form for the above-referenced Bonds. Also enclosed are the following:

1. Bond Resolution (original);
2. Specimen Bond (copy);
3. Bond Counsel Opinion (original);
4. Parity Consent from West Virginia Water Development Authority (original);
5. Receipt for Bonds (original);
6. Receipt for Bond Proceeds (original); and
7. Certificate of Certified Public Accountant (copy).

If you have any questions or comments regarding the foregoing or need any additional documentation, please contact me at your convenience.

Very truly yours,


Camden P. Siegrist

CPS/sec
Enclosures