**$200,000**
**TOWN OF DAVIS**
**COMBINED WATERWORKS AND SEWERAGE SYSTEM**
**DESIGN REVENUE BONDS**
**SERIES 2023 A**
**(WEST VIRGINIA INFRASTRUCTURE FUND)**

**Date of Closing: July 18, 2023**

WEST VIRGINIA
Infrastructure & Jobs Development Council

May 04, 2022

DAVIS, TOWN OF
Alan Tomson
PO Box 207
Davis, WV 26260-0207

Re: DAVIS, TOWN OF
Sewer Line Upgrade/Replacement Project No. 2021S-2022
Preliminary Application Approved

Dear Alan Tomson:

The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the preliminary application for the above-referenced project (Project).

Based on the findings of the Sewer Technical Review and Funding Committee, the Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Sponsor should carefully review the comments of the Technical Review Committee, as found on the Project Team Members' Dashboards at www.wvinfrastructure.com, as the Sponsor may need to address certain issues raised in said comments as it proceeds with the Project.

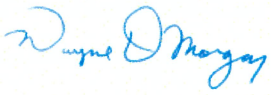
Additionally, the Council recommends the DAVIS, TOWN OF pursue the following funding:

Below is the recommended loan information for this Project:
CWSRF Green Funding Forgiveness Loan - $500,000.00 - Recommended
CWSRF Loan ( Term: 30 years Rate: 2.00% ) - $3,172,200.00 - Recommended
IJDC Design Loan ( Term: 20 years Rate: 3.00% ) - $200,000.00 - Recommended

Below is the recommended grant information for this Project:
IJDC PFA Grant District 1 - $90,000.00 - Committed
Local/City/Council - $90,000.00 - Recommended
USEDA Grant - $2,000,000.00 - Recommended
Local/City/Council - $78,900.00 - Recommended

Total estimated project cost is $6,131,100.00. If you have any questions regarding this matter, please contact Wayne Morgan, Executive Director, at (304) 414-6501 (X106).

Sincerely,



Wayne Morgan
Executive Director

cc: US EDA, Tracey Rowan
CWSRF, Kathy Emery
WV WDA, Marie Prezioso

# LOAN AGREEMENT

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

TOWN OF DAVIS
(2021S-2022)
(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered upon request of the Council to make loans to governmental agencies for the planning, design, acquisition or construction of projects by such governmental agencies, subject to such provisions and limitations as are contained in the Act;

WHEREAS, pursuant to the Act, the cost of a project includes the cost of preliminary design and analysis, preparation of plans and specifications, and other engineering services;

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

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to enter into contracts for engineering services and to finance the cost of such engineering services by borrowing money to be evidenced by bonds, notes or other negotiable instruments (hereinafter referred to as the "Bonds") issued by the Governmental Agency;

WHEREAS, the Governmental Agency has completed and filed with the Council an application for a preconstruction engineering services loan with attachments and exhibits (the "Application"), which Application is incorporated herein by this reference;

WHEREAS, the Governmental Agency has entered into a contract for engineering services as set forth in the Application (the "Contract"); and

WHEREAS, having reviewed the Application and made all findings required by the Engineering Design Advance Assistance Funding Program (as hereinafter defined) and having available sufficient funds therefor, the Council has authorized the Authority to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of the Bonds of the Governmental Agency with moneys in the

Infrastructure Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Engineering Design Advance Assistance Funding Program as hereinafter set forth.

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

## ARTICLE I
## Definitions

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

1.2 "Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Bonds, acting in its administrative capacity pursuant to Section 10 of the Act and upon authorization from the Council.

1.3 "Bonds" means the bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute to evidence the Loan and to be purchased by the Authority, all in accordance with the provisions of this Loan Agreement.

1.4 "Consulting Engineers" means the professional engineers engaged by the Governmental Agency to provide engineering services, and designated in the Application, 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, and any qualified successor thereto.

1.5 "Contract" means the contract for preconstruction engineering services by and between the Governmental Agency and the Consulting Engineers, and, as necessary, approved by the Public Service Commission.

1.6 "Engineering Design Advance Assistance Funding Program" means the Council's program whereby loans may be made to qualified Governmental Agencies for preconstruction engineering services.

1.7 "Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Section 9 of the Act.

1.8 "Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of the Bonds pursuant to this Loan Agreement.

1.9 "Local Act" means the resolution, ordinance or other official action of the Governmental Agency required by Section 4.1 hereof, authorizing the issuance of the Bonds.

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

1.11 "Net Revenues" means either gross or net revenues, if any, derived from the System.

1.12 "Project" means the proposed facilities the Governmental Agency intends to construct for which the preconstruction engineering services are being contracted.

1.13 "System" means the facilities owned or to be owned by the Governmental Agency, of which the Project will constitute all or a part thereof, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

## ARTICLE II
## The Contract

2.1 The Contract shall provide for all preconstruction engineering services necessary for the implementation of the Project, the Authority and Council having found, to the extent applicable, that the Project is consistent with the Act.

2.2 The Governmental Agency shall do all things necessary to acquire the proposed site of the Project and all necessary easements, and shall do all things necessary to acquire and construct the Project in accordance with the plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers pursuant to the Contract.

2.3 The Governmental Agency shall keep complete and accurate records of the cost of the engineering services rendered pursuant to the Contract. The Governmental Agency shall permit the Authority, acting by and through its Director or his duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Contract at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably request in connection with the Contract and the administration of the Loan or of any State and federal grants or other sources of financing for the Contract.

2.4 The Governmental Agency shall require that the Consulting Engineers furnish all bonds required by law.

2.5 The Governmental Agency shall require that the Consulting Engineers maintain, during the life of the Contract, workers' compensation coverage and all other insurance coverage required by law.

2.6 The Governmental Agency hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Council, the Authority or other State, federal or local bodies in regard to the performance of the Contract.

## ARTICLE III
## Conditions to Loan; Issuance of Bonds

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

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

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

(c) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC"), as necessary, to enter into the Contract and to borrow funds from the Authority under the terms and conditions of this Loan Agreement, with all requisite appeal periods having expired without successful appeal, and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

(d) The Governmental Agency shall have procured the subject engineering services in accordance with Chapter 5G, Article 1 of the Code of West Virginia;

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

(f) The net proceeds of the Bonds, together with all moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, in addition to Surplus Revenues of the System, if any, and any amounts the Consulting Engineers shall have agreed to finance from their own funds, shall be sufficient to pay the costs of the Contract as set forth in the Application, and the Authority shall have received evidence satisfactory to the Authority of such irrevocably committed funds.

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

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

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

3.5 The Governmental Agency may prepay the Bonds from the proceeds of any permanent financing it obtains to acquire and construct the Project.

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

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and issue the Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as enacted or adopted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Council:

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) The Governmental Agency hereby covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the gross or net revenues of the System, as more fully set forth in Schedule X attached hereto and in the Local Act;

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

(iii) That the Governmental Agency will, simultaneously with the closing of the Bonds, if not executed earlier, enter into the Contract for the design of the Project and, following completion of the design, will use its best efforts to complete the Project and will operate and maintain the System in good condition;

(iv) That the Governmental Agency shall establish or, where appropriate, petition the Public Service Commission to establish rates to provide for revenues sufficient to pay the Bonds, and that the Governmental Agency recognizes that any owner of the Bonds may by proper legal action compel the performance of the duties of the Governmental Agency under the Local Act, and shall also have, in the event of a default in the payment of principal of and interest, if any, on the Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law;

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

(vi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Governmental Agency's revenues are adequate to meet its operation and maintenance expenses and debt service requirements;

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

(viii) That the proceeds of the Bonds must be deposited in a bonds project fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Governmental Agency and on which the owners of the Bonds shall have a lien until such proceeds are applied to the payment of the costs of the Contract;

(ix) That, as long as the Authority is the owner of any of the Bonds, the Governmental Agency may not redeem any Bonds without the written consent of the Authority and the Council and otherwise in compliance with this Loan Agreement;

(x) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, (the "Code"), which exception shall be set forth in an opinion of bond counsel, or, at the option of the Authority, the loan is not tax-exempt, the Governmental Agency will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations or to the effect that no rebate is payable, and, at any time, any additional information requested by the Authority;

(xi) That the Governmental Agency shall take any and all action, or shall refrain from taking any action, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the State's general obligation bonds issued to provide moneys for the Infrastructure Fund, or any bonds secured by the Bonds;

(xii) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as that term is defined in the Code) from time to time as the Authority may request; and

(xiii) That the Governmental Agency shall not issue any bonds, notes or other obligations payable from the revenues of the System unless it has received the prior written consent of the Authority and the Council.

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law and that the final total cost of the Project, the sources and uses of funds and the cost of financing are as set forth in the Schedule B. All legal matters incident to the authorization, issuance, sale and delivery of the Bonds shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit A.

4.2 The principal of and interest, if any, on the Loan shall be repaid by the Governmental Agency on the days and in the years as provided in Schedule X and Schedule Y attached hereto.

4.3 The Loan shall bear interest, if any, from the dates and at the rate or rates per annum set forth on Schedule X hereto. In no event shall the interest rate on or the net interest cost of the Bonds exceed any statutory limitation with regard thereto.

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

## ARTICLE V
## Certain Covenants of the Governmental Agency; Imposition and Collection of User Charges; Payments to Be Made by Governmental Agency to the Authority

5.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act.

5.2 In the event the Governmental Agency defaults in any amortized payment to the Authority, the amount of such default shall bear interest at the annual rate of 3% on the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.3 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under the Act and State law, including without limitation the right to an appointment of a receiver.

## ARTICLE VI
## Other Agreements of the Governmental Agency

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

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

6.3 Notwithstanding Section 6.2, the Authority may at any time, in its sole discretion, cause the rebate calculations prepared by or on behalf of the Governmental Agency to be monitored or cause the rebate calculations for the Governmental Agency to be prepared, in either case at the expense of the Governmental Agency.

6.4 The Governmental Agency hereby agrees to give the Authority 90 days prior written notice of the issuance by it of any other obligations to be used to pay costs of the Contract or proposed Project, payable from the revenues of the System or from any grants for the Contract or Project or otherwise related to the Contract, the Project or the System.

## ARTICLE VII
## Miscellaneous

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

7.2 The Authority shall take all actions required by the Council in making and enforcing this Loan Agreement and the provisions of the Bond.

7.3 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of

the remaining provisions of this Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

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

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

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

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

7.8 This Loan Agreement shall terminate upon the earlier of:

(i) the end of ninety (90) days after the date of execution hereof by the Authority if the Governmental Agency has failed to deliver the Bonds to the Authority;

(ii) termination by the Authority pursuant to Section 6.1 hereof; or

(iii) payment in full of the principal of and interest, if any, on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

[Remainder of page intentionally left blank]

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

TOWN OF DAVIS

(SEAL)

By: _____
Its: Mayor
Date: July 18, 2023

Attest:

_____
Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: July 18, 2023

Attest:

_____
Its: Authorized Officer

EXHIBIT A

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
Charleston, West Virginia 25301

West Virginia Water Development Authority
Charleston, West Virginia 25301

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated _____, 20__, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and (ii) the issue of a series of bonds of the Governmental Agency, _____, 20__, (the "Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are in the principal amount of $_____, issued in the form of one bond, fully registered as to principal to the Authority, bearing [interest at a rate of __% per annum/no interest], and the entire outstanding principal of the Bonds shall be payable on _____ 1, ____, as set forth in Schedule X incorporated in and made a part of the Bonds.

The Bonds are issued for the purposes of financing a portion of preliminary engineering and design costs for certain_____ (the "Project") and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond resolution duly adopted or enacted by the Governmental Agency on _____ (the "Local Act"), pursuant to and under which Local Statute and Local Act the Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Governmental Agency is a duly organized and validly existing _____, with full power and authority to design, construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Bonds, all under the Local Statute and other applicable provisions of law.

4. The Governmental Agency has legally and effectively adopted or enacted the Local Act and all other necessary resolutions in connection with the issuance and sale of the Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Article IV of the Loan Agreement.

5. The Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from and secured by a first lien on the proceeds of any grants received by the Governmental Agency for the System, proceeds of any revenue bonds, refunding bonds or other obligations of the Governmental Agency, issued subsequent to the issuance of the Bonds, and Surplus Revenues, if any, all in accordance with the terms of the Bonds and the Local Act, and have been duly issued and delivered to the Authority.

6. [If required, the Bonds are, by statute, exempt _____, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Bonds is excludable from the gross income of the recipients thereof for federal income tax purposes.]

7. The Bonds and the interest thereon are, by the Local Statute, exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

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

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

Very truly yours,

SCHEDULE X
DESCRIPTION OF BONDS

| | |
|---|---|
| Principal Amount of Bonds | $200,000 |
| Purchase Price of Bonds | $200,000 |

The Bonds shall bear interest at a rate of 3% per annum. The principal of and interest on the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing on March 1, 2025, and maturing on December 1, 2044.

The Governmental Agency may prepay the Bonds in part or in whole at any time at the price of par but only with the Council's written consent. The Governmental Agency shall prepay the Bonds from the proceeds of any permanent financing it obtains to acquire and construct the Project. The Governmental Agency shall request approval from the Authority and Council in writing of any proposed debt which will be issued by the Governmental Agency on a parity with or senior to the Bonds, which written request must be filed at least 60 days prior to the intended date of issuance.

The Bonds will be fully registered in the name of the West Virginia Water Development Authority as to principal and interest and such Bonds shall grant the Authority a lien on the Net Revenues of the System. The Bonds are issued on a parity with the following obligations of the Governmental Agency:

(1) Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 (United States Department of Agriculture), dated August 7, 1997, issued in the original aggregate principal amount of $620,000; and

(2) Combined Waterworks and Sewerage System Revenue Bonds, Series 2020 A (West Virginia Infrastructure Fund), dated August 5, 2020, issued in the original aggregate principal amount of $1,250,000.

# SCHEDULE Y
## DEBT SERVICE SCHEDULE

**Bond Debt Service**
**Town of Davis**
**IF**
**$200,000**
**3.0% Interest Rate**
**20 Years**

Dated Date 7/18/2023
Delivery Date 7/18/2023

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 3/1/2025 | 1,834 | 3.000% | 1,500.00 | 3,334.00 |
| 6/1/2025 | 1,847 | 3.000% | 1,486.25 | 3,333.25 |
| 9/1/2025 | 1,861 | 3.000% | 1,472.39 | 3,333.39 |
| 12/1/2025 | 1,875 | 3.000% | 1,458.44 | 3,333.44 |
| 3/1/2026 | 1,889 | 3.000% | 1,444.37 | 3,333.37 |
| 6/1/2026 | 1,903 | 3.000% | 1,430.21 | 3,333.21 |
| 9/1/2026 | 1,918 | 3.000% | 1,415.93 | 3,333.93 |
| 12/1/2026 | 1,932 | 3.000% | 1,401.55 | 3,333.55 |
| 3/1/2027 | 1,947 | 3.000% | 1,387.06 | 3,334.06 |
| 6/1/2027 | 1,961 | 3.000% | 1,372.46 | 3,333.46 |
| 9/1/2027 | 1,976 | 3.000% | 1,357.75 | 3,333.75 |
| 12/1/2027 | 1,991 | 3.000% | 1,342.93 | 3,333.93 |
| 3/1/2028 | 2,006 | 3.000% | 1,328.00 | 3,334.00 |
| 6/1/2028 | 2,021 | 3.000% | 1,312.95 | 3,333.95 |
| 9/1/2028 | 2,036 | 3.000% | 1,297.79 | 3,333.79 |
| 12/1/2028 | 2,051 | 3.000% | 1,282.52 | 3,333.52 |
| 3/1/2029 | 2,067 | 3.000% | 1,267.14 | 3,334.14 |
| 6/1/2029 | 2,082 | 3.000% | 1,251.64 | 3,333.64 |
| 9/1/2029 | 2,098 | 3.000% | 1,236.02 | 3,334.02 |
| 12/1/2029 | 2,113 | 3.000% | 1,220.29 | 3,333.29 |
| 3/1/2030 | 2,129 | 3.000% | 1,204.44 | 3,333.44 |
| 6/1/2030 | 2,145 | 3.000% | 1,188.47 | 3,333.47 |
| 9/1/2030 | 2,161 | 3.000% | 1,172.39 | 3,333.39 |
| 12/1/2030 | 2,177 | 3.000% | 1,156.18 | 3,333.18 |
| 3/1/2031 | 2,194 | 3.000% | 1,139.85 | 3,333.85 |
| 6/1/2031 | 2,210 | 3.000% | 1,123.40 | 3,333.40 |
| 9/1/2031 | 2,227 | 3.000% | 1,106.82 | 3,333.82 |
| 12/1/2031 | 2,244 | 3.000% | 1,090.12 | 3,334.12 |
| 3/1/2032 | 2,260 | 3.000% | 1,073.29 | 3,333.29 |
| 6/1/2032 | 2,277 | 3.000% | 1,056.34 | 3,333.34 |
| 9/1/2032 | 2,294 | 3.000% | 1,039.26 | 3,333.26 |
| 12/1/2032 | 2,312 | 3.000% | 1,022.06 | 3,334.06 |
| 3/1/2033 | 2,329 | 3.000% | 1,004.72 | 3,333.72 |
| 6/1/2033 | 2,346 | 3.000% | 987.25 | 3,333.25 |
| 9/1/2033 | 2,364 | 3.000% | 969.65 | 3,333.65 |
| 12/1/2033 | 2,382 | 3.000% | 951.92 | 3,333.92 |
| 3/1/2034 | 2,400 | 3.000% | 934.06 | 3,334.06 |
| 6/1/2034 | 2,418 | 3.000% | 916.06 | 3,334.06 |
| 9/1/2034 | 2,436 | 3.000% | 897.92 | 3,333.92 |
| 12/1/2034 | 2,454 | 3.000% | 879.65 | 3,333.65 |
| 3/1/2035 | 2,472 | 3.000% | 861.25 | 3,333.25 |
| 6/1/2035 | 2,491 | 3.000% | 842.71 | 3,333.71 |
| 9/1/2035 | 2,510 | 3.000% | 824.03 | 3,334.03 |

Jun 15, 2023 3:37 pm Prepared by Piper Sandler (WDA:LOANS-DAVIS123) 1

**Bond Debt Service**
**Town of Davis**
**IF**
**$200,000**
**3.0% Interest Rate**
**20 Years**

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 12/1/2035 | 2,528 | 3.000% | 805.20 | 3,333.20 |
| 3/1/2036 | 2,547 | 3.000% | 786.24 | 3,333.24 |
| 6/1/2036 | 2,567 | 3.000% | 767.14 | 3,334.14 |
| 9/1/2036 | 2,586 | 3.000% | 747.89 | 3,333.89 |
| 12/1/2036 | 2,605 | 3.000% | 728.49 | 3,333.49 |
| 3/1/2037 | 2,625 | 3.000% | 708.95 | 3,333.95 |
| 6/1/2037 | 2,644 | 3.000% | 689.27 | 3,333.27 |
| 9/1/2037 | 2,664 | 3.000% | 669.44 | 3,333.44 |
| 12/1/2037 | 2,684 | 3.000% | 649.46 | 3,333.46 |
| 3/1/2038 | 2,704 | 3.000% | 629.33 | 3,333.33 |
| 6/1/2038 | 2,725 | 3.000% | 609.05 | 3,334.05 |
| 9/1/2038 | 2,745 | 3.000% | 588.61 | 3,333.61 |
| 12/1/2038 | 2,766 | 3.000% | 568.02 | 3,334.02 |
| 3/1/2039 | 2,786 | 3.000% | 547.28 | 3,333.28 |
| 6/1/2039 | 2,807 | 3.000% | 526.38 | 3,333.38 |
| 9/1/2039 | 2,828 | 3.000% | 505.33 | 3,333.33 |
| 12/1/2039 | 2,850 | 3.000% | 484.12 | 3,334.12 |
| 3/1/2040 | 2,871 | 3.000% | 462.74 | 3,333.74 |
| 6/1/2040 | 2,892 | 3.000% | 441.21 | 3,333.21 |
| 9/1/2040 | 2,914 | 3.000% | 419.52 | 3,333.52 |
| 12/1/2040 | 2,936 | 3.000% | 397.67 | 3,333.67 |
| 3/1/2041 | 2,958 | 3.000% | 375.65 | 3,333.65 |
| 6/1/2041 | 2,980 | 3.000% | 353.46 | 3,333.46 |
| 9/1/2041 | 3,003 | 3.000% | 331.11 | 3,334.11 |
| 12/1/2041 | 3,025 | 3.000% | 308.59 | 3,333.59 |
| 3/1/2042 | 3,048 | 3.000% | 285.90 | 3,333.90 |
| 6/1/2042 | 3,071 | 3.000% | 263.04 | 3,334.04 |
| 9/1/2042 | 3,094 | 3.000% | 240.01 | 3,334.01 |
| 12/1/2042 | 3,117 | 3.000% | 216.80 | 3,333.80 |
| 3/1/2043 | 3,140 | 3.000% | 193.43 | 3,333.43 |
| 6/1/2043 | 3,164 | 3.000% | 169.88 | 3,333.88 |
| 9/1/2043 | 3,187 | 3.000% | 146.15 | 3,333.15 |
| 12/1/2043 | 3,211 | 3.000% | 122.24 | 3,333.24 |
| 3/1/2044 | 3,235 | 3.000% | 98.16 | 3,333.16 |
| 6/1/2044 | 3,260 | 3.000% | 73.90 | 3,333.90 |
| 9/1/2044 | 3,284 | 3.000% | 49.45 | 3,333.45 |
| 12/1/2044 | 3,309 | 3.000% | 24.82 | 3,333.82 |
| | 200,000 | | 66,691.46 | 266,691.46 |

# SCHEDULE Z

TOWN OF DAVIS
COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS,
SERIES 2023 A (WEST VIRGINIA INFRASTRUCTURE FUND)

BOND ORDINANCE

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TOWN OF DAVIS

ORDINANCE AUTHORIZING THE DESIGN OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE TOWN OF DAVIS AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $200,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A (WEST INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF DAVIS:

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

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public combined waterworks and sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be designed certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of addressing I/I in the existing system, constructing new storm bioswales, upgrading existing pump stations, installing new WWTP influent flow meter and emergency connection for a generator, and rehabilitating existing lines, together with all appurtenant facilities (collectively, the "Design Project") (the existing public combined waterworks and sewerage system of the Issuer, the Design Project and any further additions thereto or extensions thereof are herein called the "System").

C. The Issuer intends to permanently finance the costs of the Design Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund (the "Infrastructure Fund") for the West Virginia Infrastructure and Jobs Development Council (the "Council"), all pursuant to the Act.

D. The estimated maximum cost of the Design Project is $200,000, of which $200,000 will be obtained from the Series 2023 A Bonds.

E. The estimated revenues to be derived in each year after completion of the Design Project from the operation of the System will be sufficient to pay all Operating Expenses of the System, the principal of and interest on the Prior Bonds and the Series 2023 A Bonds (as herein defined) and payments into all funds and accounts and other payments provided for herein.

F. It is deemed necessary for the Issuer to issue the Series 2023 A Bonds in the aggregate principal amount of not more than $200,000, to permanently finance a portion of the costs of the Design Project. Such costs shall be deemed to include the costs of design and preliminary costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer and any improvements and extensions thereto, the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, on the Series 2023 A Bonds prior to and during completion of the Design Project and for a period not exceeding 6 months after completion of the Design Project; amounts which may be deposited in the Series 2023 A 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, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2023 A Bonds and such other expenses as may be necessary or incident to the financing herein authorized, costs of the Design Project and the preliminary work to be performed, 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 2023 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Design Project.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2023 A Bonds as to liens, pledge and source of and security for payment, which obligations are the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 (United States Department of Agriculture), dated August 7, 1997, issued in the original aggregate principal amount of $620,000 (the "Series 1997 Bonds") and the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2020 A (West Virginia Infrastructure Fund), dated August 5, 2020, issued in the original aggregate principal amount of $1,250,000 (the "Series 2020 A Bonds" and collectively with the Series 1997 Bonds, the "Prior Bonds").

The Series 2023 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. Prior to the issuance of the Series 2020 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2020 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Ordinances (as hereinafter defined).

H. It is in the best interests of the Issuer that the Series 2023 A Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement, relating to authorization of the funding design and preliminary costs of acquisition and

construction of certain improvements and extensions to the existing public sewer facilities of the Issuer and operation of the Design Project and the System and the issuance of the Series 2023 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Design Project and the financing thereof by the Council.

J. The Design Project has been approved by the Council.

K. The estimated revenues of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of an interest, if any, on the Series 2023 A Bonds and the Prior Bonds, and to make payments into all funds and accounts and other payments provided for herein.

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

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

"Act" means, collectively, Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2023 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

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

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

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

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

"Bonds" means, collectively, the Series 2023 A Bonds, Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Closing Date" means the date upon which there is an exchange of the Series 2023 A Bonds for all or a portion of the proceeds of the Series 2023 A Bonds from the Authority and the Council.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations. "Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Consulting Engineers" means Rummel, Klepper & Kahl, LLP, Keyser, West Virginia, ("RK&K Engineering") or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided, however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

"Costs" or "Costs of the Design Project" or any similar phrase means those costs described in Section 1.02F hereof to be a part of the costs of the Design Project.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

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

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

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

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

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America, including (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

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

provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined) or any Tap Fees, as hereinafter defined.

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

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

"Investment Property" means

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means the Town of Davis, a municipal corporation and political subdivision of the State of West Virginia, in Tucker County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered into, by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2023 A Bonds from the Issuer by the Authority, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2023 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2023 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2023 A Bonds, without regard to whether or not such investment is made in tax exempt obligations.

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

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System, as hereinafter defined and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent, other than those capitalized as part of the Costs, administrative fees, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

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

"Prior Bonds" means, collectively, the Issuer's (i) Series 1997 Bonds and (ii) Series 2020 A Bonds.

"Prior Ordinances" means the ordinances authorizing the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Project" or "Design Project" means the design and preliminary costs of acquisition and construction of certain improvements and extensions to the System, a description of which is attached hereto as Exhibit A and incorporated herein by reference and described in Section 1.02B hereof.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

(b) 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; the Governmental National Mortgage Association; the Tennessee Valley Authority or the Washington Metropolitan Area Transit Authority;

(c) Any bond, debenture, note, participation certificate or other similar obligation 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;

(d) Time accounts, (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that such Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time account or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time account;

(e) Money market funds or similar funds, the only assets of which are investments of the type described in paragraphs (a) through (d) above;

(f) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (d) 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 paid repurchase agreements, and provided further that the owner 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;

(g) The "consolidated fund" (or any distinct portion thereof) managed by the West Virginia Board of Treasury Investments pursuant to Article 6C, Chapter 12 of the Code of West Virginia, 1931, as amended; and

(h) Advance-Refunded Municipal Bonds.

"Recorder" means the Recorder of the Issuer.

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Prior Ordinance and continued by Section 5.01 hereof.

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

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts of the Series 2023 A Bonds and the Prior Bonds.

"Revenue Fund" means the Revenue Fund created by Prior Ordinance and continued by Section 5.01 hereof.

"Series 1997 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 (United States Department of Agriculture), dated August 7, 1997, issued in the original aggregate principal amount of $620,000.

"Series 2020 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2020 A (West Virginia Infrastructure Fund), dated August 5, 2020, issued in the original aggregate principal amount of $1,250,000.

"Series 2023 A Bonds" means the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2023 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

"Series 2023 A Bonds Reserve Account" means the Series 2023 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2023 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2023 A Bonds in the then current or any succeeding year.

"Series 2023 A Bonds Sinking Fund" means the Series 2023 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2023 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2023 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2023 A Bonds, and not so included may be included in another Supplemental 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 Series 2023 A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

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

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

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 Ordinance; and the term "hereafter" means after the date of adoption of this Ordinance.

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

## ARTICLE II
## AUTHORIZATION OF FUNDING THE COSTS OF THE DESIGN PROJECT

Section 2.01. Authorization of Funding the Costs or the Design Project. There is hereby authorized and ordered the funding of the Design Project which includes the design and preliminary costs of the acquisition and construction of an improvement hereby described in Exhibit A, at an estimated cost of $200,000. The proceeds of the Series 2023 A Bonds shall be applied as provided in Article VI hereof. The Issuer has or will enter into contracts for the Design Project, in an amount and otherwise compatible with the financing plan submitted to the Authority and the DEP.

The cost of the Design Project is estimated to be $200,000, of which $200,000 will be obtained from the Series 2023 A Bonds.

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2023 A Bonds, funding the Series 2023 A Bonds Reserve Account, paying the Costs of the Design Project and paying certain costs of issuance and related costs, or any of such purposes, as shall be specified in the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2023 A Bonds of the Issuer. The Series 2023 A Bonds shall be issued as a single bond, designated as "Combined Waterworks And Sewerage System Design Revenue Bonds, Series 2023 A (West Virginia Infrastructure Fund)," in an aggregate principal amount of not more than $200,000, and shall have such terms as are set forth hereinafter or in the Supplemental Resolution. The proceeds of the Series 2023 A Bonds remaining after funding of the Series 2023 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in the Series 2023 A Bonds Project Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2023 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts, and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2023 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2023 A Bonds

shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution or herein, the Series 2023 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2023 A Bonds. The Series 2023 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall have such terms as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2023 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. The Bond Registrar for the Series 2023 A Bonds shall be the bank or other entity designated as such in the Supplemental Resolution and its successors and assigns. No Series 2023 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

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

So long as any of the Bonds remain Outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2023 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate, register and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Registered Owner's furnishing proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

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

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to the Prior Bonds. The payment of the debt service on the Series 2023 A Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2023 A Bonds and the Prior Bonds and to make payments into all funds and accounts hereinafter established and established in the Prior Ordinances, are hereby irrevocably pledged to such payments as the same become due.

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

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

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

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2020 A Bonds.

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

[Remainder of Page Intentionally Blank]

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF DAVIS
COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS,
SERIES 2023 A (WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1
$_____

KNOW ALL MEN BY THESE PRESENTS: That on the _ day of _____, 2023, the TOWN OF DAVIS, a municipal corporation and political subdivision of the State of West Virginia in Tucker County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____, 20__, to and including _____1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest of __% payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____1, 20__, to and including _____ 1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at the rate of 2.575% per annum. Principal installments and interest on, of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2023.

This Bond is issued (i) to pay the design and preliminary costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Design Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public sewer facilities of the Issuer, the Design Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2023, and a Supplemental Resolution duly adopted by the Issuer on _____, 2023 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2023 A Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 7, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $620,000 (THE "1997 SERIES BONDS") AND (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2020 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 5, 2020, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "2020 SERIES A BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Series 2023 A Bonds Reserve Account created under the Bond Legislation for the Bonds (the "Series 2023 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2023 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2023 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding on a parity with the Bonds including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond Legislation) by the

Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney duly authorized in writing.

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

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

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

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____

Mayor

ATTEST:

_____

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2023 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2023.

_____
United Bank, as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Authorization and Execution of Loan Agreement. The Series 2023 A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and confirmed.

Section 3.12. Filing of Amended Schedule. Upon completion of the Design Project, the Issuer will file with the Authority and the Council a schedule for the Series 2023 A Bonds setting forth the actual costs of the Design Project and sources of funds therefor.

## ARTICLE IV
## [RESERVED]

## ARTICLE V
## FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by Prior Ordinances);
(2) Renewal and Replacement Fund (established by Prior Ordinances); and
(3) Series 2023 A Project Fund.

Section 5.02. ¬Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Prior Bonds Sinking Funds (established by Prior Ordinances);
(2) Prior Bonds Reserve Accounts (established by Prior Ordinances);
(3) Series 2023 A Bonds Sinking Fund; and
(4) Series 2023 A Bonds Reserve Account.

Section 5.03. 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.

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

(2) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the interest payments to the Sinking Funds of the Prior Bonds in the amounts required by the Prior Ordinances and (ii) commencing 3 months prior to the first date of payment of interest of the Series 2023 A Bonds, remit to the Commission for deposit in the Series 2023 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which is due on the Series 2023 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit

in the Series 2023 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the principal payments to the Sinking Funds of the Prior Bonds in the amounts required by the Prior Ordinances; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2023 A Bonds, remit to the Commission for deposit in the Series 2023 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2023 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2023 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the reserve account payments to the Reserve Accounts of the Prior Bonds in the amounts required by the Prior Ordinances; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2023 A Bonds, if not fully funded upon issuance of the Series 2023 A Bonds, remit to the Commission for deposit in the Series 2023 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2023 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2023 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2023 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2023 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2023 A Bonds as the same shall become due. Moneys in the Series 2023 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2020 A Bonds as the same shall come due, when other moneys in the Series 2023 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2023 A Bonds Reserve Account (if fully funded) shall be transferred, not less than once each year, to the Series 2023 A Bonds Project Fund until the Design Project is completed and following completion of the Design Project to the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2023 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2023 A Bonds Reserve Account which result in a reduction in the balance of such account to below the Series 2023 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2023 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on such Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2023 A Bonds Sinking Fund or the Series 2023 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2023 A Bonds then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2023 A Bonds and the First Lien 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 2023 A Bonds Sinking Fund and the Series 2023 A Bonds Reserve Account created hereunder, and all amounts required for such accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. The Issuer shall make the necessary arrangements whereby required payments into such accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates hereunder.

Moneys in the Series 2023 A Bonds Sinking Fund and the Series 2023 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2023 A Bonds Sinking Fund and the Series 2023 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2023 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payments 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. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the Administrative Fee, as set forth in the Schedule Y attached to the Loan Agreement for the Bonds.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement, and submit a copy of said form, together with a copy of its payment check to the Authority by the 5th day of such calendar month.

D. 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.

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

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

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, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Section 5.03A hereof, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because the required payments into the Reserve Accounts have not, as of such date, funded such account to the requirement therefor.

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

## ARTICLE VI
## APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2023 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2023 A Bonds, there shall first be deposited with the Commission in the Series 2023 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2023 A Bonds for the period commencing on the date of issuance of the Series 2023 A Bonds and ending 6 months after the estimated date of completion of the Design Project.

B. Next, from the proceeds of the Series 2023 A Bonds, there shall be deposited with the Commission in the Series 2023 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2023 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2023 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2023 A Bonds Project Fund and applied solely to payment of the costs of the Design Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2023 A Bonds.

D. After completion of the Design Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2023 A Bonds shall be expended as directed by the DEP.

Section 6.02. Disbursements from Bond Project Fund. On or before the Closing Date, the Issuer shall have delivered to the Council and the Authority a report listing the specific purposes for which the proceeds of the Series 2023 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments of all costs of the Design Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2023 A Bonds Project Fund shall be made only after submission to and approval from the Council of a completed and signed certificate or a form of which is attached to the Loan Agreement for the Series 2023 A Bonds, in compliance with the preliminary cost schedule, stating that:

(A) None of the items for which the payment is proposed to be made has been requested from another funding source;

(B) Each item for which the payment is proposed to be made is or was necessary in connection with the Design Project and constitutes a Cost of the Design Project;

(C) Each of such Costs has been otherwise properly incurred; and

(D) Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the Series 2023 A Bonds Project Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

## ARTICLE VII
## ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Registered Owner of the Series 2023 A Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Registered Owner of the Series 2023 A Bonds, as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as the Series 2023 A Bonds, or the interest thereon, are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2023 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Registered Owner of the Series 2023 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2023 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2023 A Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2023 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation and the Prior Ordinances are hereby irrevocably pledged, in

the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation and the Prior Ordinances.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of Certified Public Accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted June 26, 2019 and the sewer rate ordinance of the Issuer enacted July 13, 2022 which rates are incorporated herein by reference as a part hereof.

So long as the Series 2023 A Bonds are Outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2023 A Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Series 2023 A Bonds and the Prior Bonds are Outstanding and except as otherwise required by law or with the written consent of the Authority and the Holders of the Prior Bonds, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2023 A Bonds, immediately be remitted to the Commission for deposit in the Series 2023 A Bonds Sinking Fund and applied to the payment of principal of and interest, if any, on the Series 2023 A Bonds. Any balance remaining after the payment of the Series 2023 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Issuer shall, by resolution duly adopted, 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 shall be in excess of $50,000 but not in excess of $200,000, the Issuer shall first, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount 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 shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding without

the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2023 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2023 A 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 2023 A 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 2023 A Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2023 A Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are Outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2023 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and without complying with the conditions and requirements herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2023 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, extensions, improvements or betterments to the System or refunding any Outstanding Bonds, or both such purposes.

So long as the Prior Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, 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 Holders of the Prior Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing

limitation is waived or when the Prior Bonds are no longer Outstanding, the following parity requirement shall be met.

So long as the Series 2023 A 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 actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds 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 "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, the time for appeal of which shall have expired prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period herein above referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, 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 over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2023 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from 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 2023 A Bonds.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of the Parity Bonds, and the Issuer 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 cost of the Design Project. The Issuer shall permit the Authority and the Council, or their agents and representatives, to inspect all books, documents, papers and records relating to the Design Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the Design Project; the operation and maintenance of the System and the administration of the loan or any State or federal grants or other sources of financing for the Design Project.

The Issuer shall permit the Authority, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at any reasonable times.

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 Registered Owner of the Bonds issued pursuant to this Resolution 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 in accordance with the rules and regulations of the PSC and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the 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 Authority, or any other original purchaser of the Series 2023 A Bonds and shall mail in each year to any Registered Owners of the 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 Resolution and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations Outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with 2 CFR Part 200, Subpart F, or any successor thereof), and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Registered Owner of the Series 2023 A Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2023 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that

notes whether the revenues of the System are adequate to meet the Operating Expenses and debt service and reserve requirements.

All real estate and interests in real estate and all personal property constituting the Design Project and the Design Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall permit the Authority, the Council or their agents and representatives, to enter and inspect the Design Project site and Design Project facilities at all reasonable times. Prior to, during and after completion the Design Project, the Issuer shall also provide the Authority, the Council, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the Act.

Section 7.09. Rates. So long as the Prior Bonds are outstanding, any requirement for rates set forth in the Prior Ordinances shall be met. Prior to the issuance of the Series 2023 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be 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 Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2023 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2023 A Bonds, including the Prior Bonds; provided, that in the event that amounts equal to or in excess of the reserve requirements are on deposit in the Series 2023 A Bonds Reserve Account and the reserve accounts for obligations on a parity with the Series 2023 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, 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, if any, on the Series 2023 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2023 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

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 Authority and the Council within 30 days of adoption thereof. 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 the Managing 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 the Managing Engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance

to the Authority and the DEP and to any Registered Owner of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the DEP and any Registered Owner of any Bonds or anyone acting for and in behalf of such Registered Owner of any Bonds.

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

Section 7.11. Engineering Services and Operating Personnel. The Issuer shall obtain a certificate of the Consulting Engineer in the form attached to the Loan Agreement, certifying that the improvements contemplated by the Design Project are adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of the Design Project.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the DEP.

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

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2023 A 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 shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR.

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

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

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

The Issuer shall also require all contractors engaged in the Design Project to carry such worker's compensation coverage for all employees working on the Design 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 Design Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the Council. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Mandatory Connections. The mandatory use of the sewerage portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or

building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 20 day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion of Design Project; Permits and Orders. The Issuer will complete the Design 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 completion of the Design Project, all orders and approvals required by State law and the Council necessary for completion of the Design Project and the operation of the System and all approvals for issuance of the Series 2023 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal and the Issuer shall provide an opinion of counsel to such effect.

Section 7.18. Compliance with the Loan Agreement and the Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the Council 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.

The Issuer shall also comply with all applicable laws, rules and regulations issued by the Authority and the Council or other federal, State or local bodies in regard to the completion of the Design Project and the operation, maintenance and use of the System.

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

Section 7.19. Reserved

Section 7.20. Securities Law Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2020 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

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

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

Section 7.22. Statutory Mortgage Lien. For the further protection of the Registered Owners of the Series 2023 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, and shall take effect immediately upon delivery of the Series 2023 A Bonds; provided however, that the statutory mortgage lien of the Series 2023A Bonds shall be on a parity with the statutory mortgage lien of the Prior Bonds.

## ARTICLE VIII
## INVESTMENT OF FUNDS

Section 8.01. Investment of Funds. Any moneys held as a part of the funds and accounts created by this Bond Legislation, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank or such other bank or national banking association holding such fund or account, as the case may be, at the 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.

Except as specifically provided herein, 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 a year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records relating thereto so long as the Series 2023 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2023 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to

restrictions on the use of proceeds of the Series 2023 A Bonds as a condition to issuance of the Series 2023 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2023A Bonds as may be necessary in order to maintain the status of the Series 2023 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2023 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2023 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2023 A Bonds and any additional information requested by the Authority.

## 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 2023 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2023 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2023 A Bonds set forth in this Bond Ordinance, any Supplemental Resolution or in the Series 2023 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Bond Registrar, any Paying Agent or a Registered Owner of a Bond; or

(3) If a default occurs under the Prior Ordinances or the Prior Bonds; or

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act, the Loan Agreement and this Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action at law 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 Registered Owners of the Series 2023 A Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Bond Legislation and the Act, including, the completion of the Design Project, 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 the Bonds any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the Design Project, or both, on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate and maintain, manage and control the System, 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 the System as the Issuer itself might do.

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the 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 the 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 2023 A Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2023 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all

covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2023 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2023 A Bonds from gross income for federal income tax purposes.

## ARTICLE XI
## MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2023 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2023 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2023 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2023 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2023 A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2023 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2023 A Bonds from gross income of the Holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2023 A 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 ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided, that in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

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

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *The Parsons Advocate*, a newspaper of general circulation in the Town of Davis, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2023 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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

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| Passed on First Reading | May 10, 2023 |
| Passed On Second Reading | May 24, 2023 |
| Passed on Final Reading After Public Hearing | June 14, 2023 |

TOWN OF DAVIS

Mayor

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## CERTIFICATION

Certified a true copy of an Ordinance duly adopted by the Governing Body of the TOWN OF DAVIS on the 24th day of May, 2023, effective June 14, 2023.

Dated: July 18, 2023.

[SEAL]

Robert T. North
Recorder

[Remainder of Page Intentionally Blank – Exhibit A Follows]

EXHIBIT A

PROJECT DESCRIPTION

The Design Project consists of design and preliminary matters related to the construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of system improvements to (1) reduce inflow and infiltration and overflows, (2) constructing new storm bioswales, (3) upgrading existing pump stations, (4) installing new WWTP influent flow meter, (5) providing emergency connection for a generator, and rehabilitating existing lines, together with all appurtenant facilities for wastewater treatment and collection (the "Design Project").

TOWN OF DAVIS

COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A (WEST VIRGINIA INFRASTRUCTURE FUND)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE TOWN OF DAVIS; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the town council (the "Governing Body") of the Town of Davis (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective June 14, 2023 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE DESIGN OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE TOWN OF DAVIS AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $200,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A (WEST INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2023 A (West Virginia

Infrastructure Fund), in an aggregate principal amount of not more than $200,000, and shall have the terms as are set forth hereinafter or in the Supplemental Resolution in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on June 14, 2023, and a Supplemental Resolution duly adopted by the Issuer on June 28, 2023 (collectively, the "Bond Legislation");

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

WHEREAS, the Series 2023 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates and the sale price of the Series 2023 A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2023 A Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following Bonds of the Issuer:

Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2023 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single bond, numbered AR-1, in the original aggregate principal amount of $200,000. The Series 2023 A Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2044, and shall bear interest at the rate of 3% per annum. The principal and interest of the Series 2023 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2025, to and including December 1, 2044, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2023 A Bonds and incorporated in and made a part of the Series 2023 A Bonds. The Series 2023 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Series 2023 A Bonds.

Section 2. All other provisions relating to the Series 2023 A Bonds and the text of the Series 2023 A Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council and the Authority. The price of the Series 2023 A Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2023 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate United Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2023 A Bonds under the Bond Ordinance and does

approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2023 A Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2023 A Bonds under the Bond Ordinance.

Section 6. The Issuer does hereby appoint and designate Grant County Bank, Davis, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2023 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2023 A Bonds Sinking Fund.

Section 8. Series 2023 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2023 A Bonds Reserve Account.

Section 9. Funds of the Issuer in the amount of $0 shall be deposited in the Series 2023 A Bonds Reserve Account.

Section 10. The balance of the proceeds of the Series 2023 A Bonds shall be deposited in or credited to the Series 2023 A Bonds Project Fund for payment of the Costs of the Design Project, including, without limitation, costs of issuance of the Series 2023 A Bonds and related costs.

Section 11. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2023 A Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2023 A Bonds may be delivered on or about July 18, 2023, to the Authority pursuant to the Loan Agreement.

Section 12. The design of the Design Project and the financing thereof in part with proceeds of the Series 2023 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2023 A Bonds Sinking Fund and the Series 2023 A Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 14. The Issuer does hereby ratify, approve and accept all contracts relating to the Design Project and the Mayor is hereby authorized and directed to execute and deliver all such contracts.

Section 15. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 16. The Issuer hereby authorizes the sweeping of its account by the Municipal Bond Commission to the Series 2023 A Bonds Sinking Fund for the Series 2023 A Bonds Reserve Account.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 28th day of June, 2023.

TOWN OF DAVIS

MAYOR

CERTIFICATION

Certified a true copy of an Ordinance duly adopted by the Governing Body of the TOWN OF DAVIS on the 24th day of May, 2023, effective June 14, 2023.

Dated: July 18, 2023.

[SEAL]

Robert T. North
Recorder

[Remainder of Page Intentionally Blank – Exhibit A Follows]

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF DAVIS
COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS,
SERIES 2023 A (WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $200,000

KNOW ALL MEN BY THESE PRESENTS: That on the 18th day of July, 2023, the TOWN OF DAVIS, a municipal corporation and political subdivision of the State of West Virginia in Tucker County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of TWO HUNDRED THOUSAND DOLLARS ($200,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2025, to and including December 1, 2044, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest of 3% payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2025, to and including December 1, 2044, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at the rate of 3% per annum. Principal installments and interest on, of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated July 18, 2023.

This Bond is issued (i) to pay the design and preliminary costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Design Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public sewer facilities of the Issuer, the Design Project and any further improvements or extensions thereto are herein

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called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on May 24, 2023, and a Supplemental Resolution duly adopted by the Issuer on June 14, 2023 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2023 A Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 7, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $620,000 (THE "1997 SERIES BONDS") AND (II) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2020 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 5, 2020, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "2020 SERIES A BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Series 2023 A Bonds Reserve Account created under the Bond Legislation for the Bonds (the "Series 2023 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2023 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2023 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding on a parity with the Bonds including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

SPECIMEN

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

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

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

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

Mayor

SPECIMEN

ATTEST:

Recorder

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2023 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: July 18, 2023.

SPECIMEN

United Bank, as Registrar

Thomas Provenzano
Vice President

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

| | AMOUNT | DATE | | AMOUNT | DATE |
|---|---|---|---|---|---|
| (1) | $72,500 | 7/18/2023 | (19) | $ | |
| (2) | $ | | (20) | $ | |
| (3) | $ | | (21) | $ | |
| (4) | $ | | (22) | $ | |
| (5) | $ | | (23) | $ | |
| (6) | $ | | (24) | $ | |
| (7) | $ | | (25) | $ | |
| (8) | $ | | (26) | $ | |
| (9) | $ | | (27) | $ | |
| (10) | $ | | (28) | $ | |
| (11) | $ | | (29) | $ | |
| (12) | $ | | (30) | $ | |
| (13) | $ | | (31) | $ | |
| (14) | $ | | (32) | $ | |
| (15) | $ | | (33) | $ | |
| (16) | $ | | (34) | $ | |
| (17) | $ | | (35) | $ | |
| (18) | $ | | (36) | $ | |

TOTAL $

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EXHIBIT B

DEBT SERVICE SCHEDULE

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**Bond Debt Service**

**Town of Davis**

**IF**

**$200,000**

**3.0% Interest Rate**

**20 Years**

| | |
|---|---|
| Dated Date | 7/18/2023 |
| Delivery Date | 7/18/2023 |

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 3/1/2025 | 1,834 | 3.000% | 1,500.00 | 3,334.00 |
| 6/1/2025 | 1,847 | 3.000% | 1,486.25 | 3,333.25 |
| 9/1/2025 | 1,861 | 3.000% | 1,472.39 | 3,333.39 |
| 12/1/2025 | 1,875 | 3.000% | 1,458.44 | 3,333.44 |
| 3/1/2026 | 1,889 | 3.000% | 1,444.37 | 3,333.37 |
| 6/1/2026 | 1,903 | 3.000% | 1,430.21 | 3,333.21 |
| 9/1/2026 | 1,918 | 3.000% | 1,415.93 | 3,333.93 |
| 12/1/2026 | 1,932 | 3.000% | 1,401.55 | 3,333.55 |
| 3/1/2027 | 1,947 | 3.000% | 1,387.06 | 3,334.06 |
| 6/1/2027 | 1,961 | 3.000% | 1,372.46 | 3,333.46 |
| 9/1/2027 | 1,976 | 3.000% | 1,357.75 | 3,333.75 |
| 12/1/2027 | 1,991 | 3.000% | 1,342.93 | 3,333.93 |
| 3/1/2028 | 2,006 | 3.000% | 1,328.00 | 3,334.00 |
| 6/1/2028 | 2,021 | 3.000% | 1,312.95 | 3,333.95 |
| 9/1/2028 | 2,036 | 3.000% | 1,297.79 | 3,333.79 |
| 12/1/2028 | 2,051 | 3.000% | 1,282.52 | 3,333.52 |
| 3/1/2029 | 2,067 | 3.000% | 1,267.14 | 3,334.14 |
| 6/1/2029 | 2,082 | 3.000% | 1,251.64 | 3,333.64 |
| 9/1/2029 | 2,098 | 3.000% | 1,236.02 | 3,334.02 |
| 12/1/2029 | 2,113 | 3.000% | 1,220.29 | 3,333.29 |
| 3/1/2030 | 2,129 | 3.000% | 1,204.44 | 3,333.44 |
| 6/1/2030 | 2,145 | 3.000% | 1,188.47 | 3,333.47 |
| 9/1/2030 | 2,161 | 3.000% | 1,172.39 | 3,333.39 |
| 12/1/2030 | 2,177 | 3.000% | 1,156.18 | 3,333.18 |
| 3/1/2031 | 2,194 | 3.000% | 1,139.85 | 3,333.85 |
| 6/1/2031 | 2,210 | 3.000% | 1,123.40 | 3,333.40 |
| 9/1/2031 | 2,227 | 3.000% | 1,106.82 | 3,333.82 |
| 12/1/2031 | 2,244 | 3.000% | 1,090.12 | 3,334.12 |
| 3/1/2032 | 2,260 | 3.000% | 1,073.29 | 3,333.29 |
| 6/1/2032 | 2,277 | 3.000% | 1,056.34 | 3,333.34 |
| 9/1/2032 | 2,294 | 3.000% | 1,039.26 | 3,333.26 |
| 12/1/2032 | 2,312 | 3.000% | 1,022.06 | 3,334.06 |
| 3/1/2033 | 2,329 | 3.000% | 1,004.72 | 3,333.72 |
| 6/1/2033 | 2,346 | 3.000% | 987.25 | 3,333.25 |
| 9/1/2033 | 2,364 | 3.000% | 969.65 | 3,333.65 |
| 12/1/2033 | 2,382 | 3.000% | 951.92 | 3,333.92 |
| 3/1/2034 | 2,400 | 3.000% | 934.06 | 3,334.06 |
| 6/1/2034 | 2,418 | 3.000% | 916.06 | 3,334.06 |
| 9/1/2034 | 2,436 | 3.000% | 897.92 | 3,333.92 |
| 12/1/2034 | 2,454 | 3.000% | 879.65 | 3,333.65 |
| 3/1/2035 | 2,472 | 3.000% | 861.25 | 3,333.25 |
| 6/1/2035 | 2,491 | 3.000% | 842.71 | 3,333.71 |
| 9/1/2035 | 2,510 | 3.000% | 824.03 | 3,334.03 |

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## Bond Debt Service

**Town of Davis**

**IF**

**$200,000**

**3.0% Interest Rate**

**20 Years**

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 12/1/2035 | 2,528 | 3.000% | 805.20 | 3,333.20 |
| 3/1/2036 | 2,547 | 3.000% | 786.24 | 3,333.24 |
| 6/1/2036 | 2,567 | 3.000% | 767.14 | 3,334.14 |
| 9/1/2036 | 2,586 | 3.000% | 747.89 | 3,333.89 |
| 12/1/2036 | 2,605 | 3.000% | 728.49 | 3,333.49 |
| 3/1/2037 | 2,625 | 3.000% | 708.95 | 3,333.95 |
| 6/1/2037 | 2,644 | 3.000% | 689.27 | 3,333.27 |
| 9/1/2037 | 2,664 | 3.000% | 669.44 | 3,333.44 |
| 12/1/2037 | 2,684 | 3.000% | 649.46 | 3,333.46 |
| 3/1/2038 | 2,704 | 3.000% | 629.33 | 3,333.33 |
| 6/1/2038 | 2,725 | 3.000% | 609.05 | 3,334.05 |
| 9/1/2038 | 2,745 | 3.000% | 588.61 | 3,333.61 |
| 12/1/2038 | 2,766 | 3.000% | 568.02 | 3,334.02 |
| 3/1/2039 | 2,786 | 3.000% | 547.28 | 3,333.28 |
| 6/1/2039 | 2,807 | 3.000% | 526.38 | 3,333.38 |
| 9/1/2039 | 2,828 | 3.000% | 505.33 | 3,333.33 |
| 12/1/2039 | 2,850 | 3.000% | 484.12 | 3,334.12 |
| 3/1/2040 | 2,871 | 3.000% | 462.74 | 3,333.74 |
| 6/1/2040 | 2,892 | 3.000% | 441.21 | 3,333.21 |
| 9/1/2040 | 2,914 | 3.000% | 419.52 | 3,333.52 |
| 12/1/2040 | 2,936 | 3.000% | 397.67 | 3,333.67 |
| 3/1/2041 | 2,958 | 3.000% | 375.65 | 3,333.65 |
| 6/1/2041 | 2,980 | 3.000% | 353.46 | 3,333.46 |
| 9/1/2041 | 3,003 | 3.000% | 331.11 | 3,334.11 |
| 12/1/2041 | 3,025 | 3.000% | 308.59 | 3,333.59 |
| 3/1/2042 | 3,048 | 3.000% | 285.90 | 3,333.90 |
| 6/1/2042 | 3,071 | 3.000% | 263.04 | 3,334.04 |
| 9/1/2042 | 3,094 | 3.000% | 240.01 | 3,334.01 |
| 12/1/2042 | 3,117 | 3.000% | 216.80 | 3,333.80 |
| 3/1/2043 | 3,140 | 3.000% | 193.43 | 3,333.43 |
| 6/1/2043 | 3,164 | 3.000% | 169.88 | 3,333.88 |
| 9/1/2043 | 3,187 | 3.000% | 146.15 | 3,333.15 |
| 12/1/2043 | 3,211 | 3.000% | 122.24 | 3,333.24 |
| 3/1/2044 | 3,235 | 3.000% | 98.16 | 3,333.16 |
| 6/1/2044 | 3,260 | 3.000% | 73.90 | 3,333.90 |
| 9/1/2044 | 3,284 | 3.000% | 49.45 | 3,333.45 |
| 12/1/2044 | 3,309 | 3.000% | 24.82 | 3,333.82 |
| | 200,000 | | 66,691.46 | 266,691.46 |

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(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

TOWN OF DAVIS
COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS
SERIES 2023 A (WEST VIRGINIA INFRASTRUCTURE FUND)

# CERTIFICATE OF CONSULTING ENGINEER

On this 18th day of July, 2023, I, John W. Cole, Registered Professional Engineer, West Virginia License No. 17949, of Rummel, Klepper & Kahl, LLP (RK&K), Keyser, West Virginia, hereby certify as follows:

1. RK&K is the engineer for design of certain additions and improvements to the Town of Davis Waste Water System Upgrade, consisting of the design of wastewater treatment and collection system improvements to reduce inflow and infiltration issues and rehabilitating any of the failing portions of the current system (the "Design Project") to the existing public sewer facilities (the "System") of Town of Davis (the "Issuer"), to be constructed primarily in Tucker County, West Virginia, which design and preliminary costs are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. All capitalized words used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance adopted by the Issuer on May 24, 2023, effective June 14, 2023.

2. The Bonds are being issued for the purposes of (i) paying the costs of the Design Project; and (ii) paying certain costs of issuance of the Bonds and related costs.

3. To the best of our knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Design Project, the Design Project will be completed by my firm; (ii) the Design Project will be adequate for its intended purpose and when constructed, the improvements, will have an anticipated useful life of at least 40 years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) prior to construction, our firm will assist the Issuer in obtaining all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Design Project and operation of the System; (iv) the net proceeds of the expected bonds to be issued, together with all moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, are sufficient to pay the costs of the Design Project; and (v) attached hereto as Exhibit A is the final Schedule B – Total Cost of Design Project,

Sources of Funds and Cost of Financing for the Bonds associated with the Design Project.

WITNESS our signatures and seals as of the date first written above.

[SEAL]




Rummel, Klepper & Kahl, LLP

John W. Cole, P.E.
West Virginia License No. 17949

## Schedule B

**Town of Davis - Sewer Collection System Improvements** — **IJDC Project No.: 2021S-2022**

| Date: July 10, 2023 | | IJDC PFA Loan | Project Budget with PFA Payoff | Davis PFA Match | IJDC Design Loan | CWSRF Loan | WV Governor's Matching Funds Grant | Congressional Directed Spending Grant |
|---|---|---|---|---|---|---|---|---|
| **Starting Fund Balance:** | | **$ 90,000.00** | **$ 6,858,600.00** | **$ 90,000.00** | **$ 200,000.00** | **$ 318,600.00** | **$ 1,250,000.00** | **$ 5,000,000.00** |
| | **Funding Totals** | | | | | | | |
| **Construction** | | | | | | | | |
| Contract 1 | $ 4,886,000.00 | | $ 4,886,000.00 | | | | $ 977,200.00 | $ 3,908,800.00 |
| Contract 2 | $ - | | $ - | | | | | |
| Contract 3 | $ - | | $ - | | | | | |
| Contract 4 | $ - | | $ - | | | | | |
| **Total:** | **$ 4,886,000.00** | **$ -** | **$ 4,886,000.00** | **$ -** | **$ -** | **$ -** | **$ 977,200.00** | **$ 3,908,800.00** |
| **Technical Services** | | | | | | | | |
| Preliminary Engineering | $ 55,400.00 | $ 20,000.00 | $ 35,400.00 | $ 20,000.00 | | | $ 3,080.00 | $ 12,320.00 |
| Preliminary Design | $ 227,300.00 | | $ 227,300.00 | | $ 189,500.00 | | $ 7,560.00 | $ 30,240.00 |
| Final Design | $ 168,000.00 | | $ 168,000.00 | | | | $ 33,600.00 | $ 134,400.00 |
| Record Drawings | $ - | | $ - | | | | | |
| Bidding & Negotiation | $ 10,000.00 | | $ 10,000.00 | | | | $ 2,000.00 | $ 8,000.00 |
| Engineering During Construction | $ 283,000.00 | | $ 283,000.00 | | | | $ 56,600.00 | $ 226,400.00 |
| Inspection | $ 258,200.00 | | $ 258,200.00 | | | | $ 51,640.00 | $ 206,560.00 |
| Special Services | $ 102,800.00 | $ 51,400.00 | $ 51,400.00 | $ 51,400.00 | | | | |
| | $ - | | $ - | | | | | |
| **Total:** | **$ 1,104,700.00** | **$ 71,400.00** | **$ 1,033,300.00** | **$ 71,400.00** | **$ 189,500.00** | **$ -** | **$ 154,480.00** | **$ 617,920.00** |
| **Legal & Fiscal** | | | | | | | | |
| Local Attorney | $ 35,000.00 | | $ 35,000.00 | | | $ 35,000.00 | | |
| PSC Attorney | $ 20,000.00 | | $ 20,000.00 | | | $ 20,000.00 | | |
| Interest During Construction | $ - | | $ - | | | | | |
| Accountant | $ 20,000.00 | | $ 20,000.00 | | | $ 20,000.00 | | |
| Loan Repayment | $ - | | $ - | | | | | |
| Easements & Acquisitions | $ 50,000.00 | | $ 50,000.00 | | | $ 50,000.00 | | |
| **Total:** | **$ 125,000.00** | **$ -** | **$ 125,000.00** | **$ -** | **$ -** | **$ 125,000.00** | **$ -** | **$ -** |
| **Administrative & General** | | | | | | | | |
| Project Administration | $ 155,000.00 | $ 7,500.00 | $ 147,500.00 | $ 7,500.00 | | $ 73,100.00 | $ 13,380.00 | $ 53,520.00 |
| Land Agent | $ - | | $ - | | | | | |
| Permits & Fees | $ 10,000.00 | | $ 10,000.00 | | | $ 10,000.00 | | |
| Legal Ads | $ - | | $ - | | | | | |
| **Total:** | **$ 165,000.00** | **$ 7,500.00** | **$ 157,500.00** | **$ 7,500.00** | **$ -** | **$ 83,100.00** | **$ 13,380.00** | **$ 53,520.00** |
| **Contingency** | | | | | | | | |
| Construction Contingency | $ 488,600.00 | | $ 488,600.00 | | | | $ 97,720.00 | $ 390,880.00 |
| Project Contingency | $ 58,300.00 | $ 11,100.00 | $ 47,200.00 | $ 11,100.00 | | | $ 7,220.00 | $ 28,880.00 |
| **Total:** | **$ 546,900.00** | **$ 11,100.00** | **$ 535,800.00** | **$ 11,100.00** | **$ -** | **$ -** | **$ 104,940.00** | **$ 419,760.00** |
| Payoff IJDC PFA | | **$ 90,000.00** | $ 90,000.00 | | | $ 90,000.00 | | |
| **Closing Costs** | | | | | | | | |
| Funding Reserve | $ - | | $ - | | | | | |
| Registrar Fees | $ 1,000.00 | | $ 1,000.00 | | $ 500.00 | $ 500.00 | | |
| Bond Counsel | $ 30,000.00 | | $ 30,000.00 | | $ 10,000.00 | $ 20,000.00 | | |
| Capitalized Interest | $ - | | $ - | | | | | |
| **Total:** | **$ 31,000.00** | | **$ 31,000.00** | **$ -** | **$ 10,500.00** | **$ 20,500.00** | **$ -** | **$ -** |
| **Grand Total** | **$ 6,858,600.00** | | **$ 6,858,600.00** | **$ 90,000.00** | **$ 200,000.00** | **$ 318,600.00** | **$ 1,250,000.00** | **$ 5,000,000.00** |

RK&K Engineering — 07/10/2023 Date

Town of Davis — 7-12-23 Date

THE RODEHEAVER GROUP P.C.
CERTIFIED PUBLIC ACCOUNTANTS

rgroup
REAL PEOPLE. REAL VALUE.

July 18, 2023

TOWN OF DAVIS
COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

FINAL CPA CERTIFICATE

Town of Davis
Davis, West Virginia

United States Department of Agriculture
Rural Utilities Service
Elkins, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

White Law Offices PLLC
Charleston, West Virginia

Ladies and Gentlemen:

We have reviewed the current water rates and sewer rates (including the multi stage sewer rate increase specified in the ordinance passed on July 13, 2022) of the Town of Davis (the "Issuer") and the projected operating expenses and anticipated customer usage provided by RK&K Engineering, the consulting engineer of the Issuer. The Issuer increased sewer rates 75% beginning August 27, 2022. Sewer rates will increase another 43% and 34% for the fiscal years ended June 30, 2023 & 2024, respectively. It is our opinion that such rates are sufficient (i) to provide for all operating expenses of the water and sewer facilities of the Issuer (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 Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 (United States Department of Agriculture), dated August 7, 1997, issued in the original aggregate principal amount of $620,000; and Combined Waterworks and Sewerage System Revenue Bonds, Series 2020 A (West Virginia Infrastructure

Fund), dated August 5, 2020, issued in the original aggregate principal amount of $1,250,000 (collectively, the Prior Bonds"); and Sewer Revenue Bonds, Series 2023 A (West Virginia Infrastructure Fund) issued on July 18, 2023 in the principal amount of $200,000 at an interest rate of 3% and a term of 20 years.

It is further our opinion that (i) the Net Revenues for the fiscal year following the year in which the Series 2023 A Bonds are to be issued will be at least 120% of the average annual debt service requirements on the Prior Bonds and the Series 2023 A Bonds; and (ii) the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of the Series 2023 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2023 A Bonds, will not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for principal of and interest on the Prior Bonds and the Series 2023 A Bonds (based on the rates approved in the rate ordinance).

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 ordinance of the Issuer authorizing the issuance of such Prior Bonds (collectively, the "Prior Ordinances");

(b.) The Renewal and Replacement Fund required by the Prior Ordinances is established and the rates and charges for the System have been established which are projected to be sufficient in the upcoming Fiscal Year to make the required deposits in the Renewal and Replacement Fund; and

(c.) The Working Capital Reserve Account required by W. V. Code Section 24-1-1(k) is established and the rates and charges for the System have been established which are projected to be sufficient in the upcoming Fiscal Year to make the required deposits in the Working Capital Reserve Account.

Very truly yours,

The Rodeheaver Group P.C.

The Rodeheaver Group P.C.

TOWN OF DAVIS

COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A (WEST VIRGINIA INFRASTRUCTURE FUND)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On the 18th day of July, 2023, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the Town of Davis (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2023 A (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of $200,000 numbered AR-1 (the "Series 2023 A Bonds"), issued as a single, fully registered bond, dated July 18, 2023.

2. At the time of such receipt, the Series 2023 A Bonds had been executed by the Mayor and the Recorder of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Series 2023 A Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2023 A Bonds, $72,500, being a portion of the principal amount of the Series 2023 A Bonds. The balance of the principal amount of the Series 2023 A Bonds will be advanced by the Authority and the West Virginia Infrastructure and Jobs Development Council to the Issuer as the Design Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

TOWN OF DAVIS

Mayor

## SWEEP RESOLUTION

**WHEREAS**, the Town of Davis (the "Issuer") is a governmental body and political subdivision of West Virginia;

**WHEREAS**, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

**WHEREAS**, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

**WHEREAS**, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

**WHEREAS**, pursuant to Chapter 13, Article 3, Section 5a, the MBC has established fees for its services (the "MBC Fee");

**WHEREAS**, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

**NOW THEREFORE BE IT RESOLVED AS FOLLOWS:**

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, along with the MBC Fee, shall be made to the MBC by electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) Alan Tomson and Joni Felton are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 28th day of June, 2023

Mayor

Recorder

July 18, 2023

TOWN OF DAVIS

COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS,
SERIES 2023 A (WEST VIRGINIA INFRASTRUCTURE FUND)

Town of Davis,
West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Davis (the "Issuer"), a municipal corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $200,000 Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2023 A (West Virginia Infrastructure Fund), dated the date hereof (the "Series 2023 A Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement dated July 18, 2023, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Series 2023 A Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Series 2023 A Bonds are originally issued in the form of one Bond, registered as to principal and interest to the Authority, bearing interest at the rate of 3% per annum. payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2025 and with principal installments payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2025 to and including December 1, 2044 all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2023 A Bonds.

The Series 2023 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the design and preliminary costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the “Design Project”); and (ii) to pay certain costs of issuance of this Bond and related costs.

We have also examined the applicable provisions of the Act and the Bond Ordinance duly adopted by the Issuer on May 24, 2023, effective June 14, 2023 as supplemented by a Supplemental Resolution duly adopted by the Issuer on June 28, 2023 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2023 A Bonds are authorized and issued, and the Loan Agreement has been entered into. The Series 2023 A Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan

Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia. with full power and authority to complete the Design Project, to operate and maintain the System, to adopt the Bond Legislation and to issue and sell the Series 2023 A Bonds, all under the Act and other applicable provisions of law.

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

3. The Bond Legislation and all other necessary ordinances, orders and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Series 2023 A Bonds and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1of the Loan Agreement.

4. The Series 2023 A Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 (United States Department of Agriculture), dated August 7, 1997, issued in the original aggregate principal amount of $620,000 (the "Series 1997 Bonds") and the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2020 A (West Virginia Infrastructure Fund), dated August 5, 2020, issued in the original aggregate principal amount of $1,250,000 (the "Series 2020 A Bonds" and collectively with the Series 1997 Bonds, the "Prior Bonds"), all in accordance with the terms of the Bond and the Bond Legislation.

5. The Series 2023 A Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality or county commission, political subdivision or agency thereof, and the interest, if any, on the Series 2023 A Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Series 2023 A Bonds have not been issued on the basis that the interest thereon, if any, is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Series 2023 A Bonds.

It is to be understood that the rights of the holders of the Series 2023 A Bonds and the enforceability of the Series 2023 A Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion and the application of equitable remedies in appropriate cases.

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

Very truly yours,

White Law Offices, PLLC

# BUSCH, ZURBUCH & THOMPSON, PLLC

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July 18, 2023

Town of Davis
Davis, West Virginia

West Virginia Infrastructure and Jobs Development Council
1009 Bullitt Street
Charleston, West Virginia 25301

West Virginia Water Development Authority
1009 Bullitt St.
Charleston, West Virginia 25301

Re: Town of Davis Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2023 A (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We are counsel to the Town of Davis (the "Issuer"). As such counsel, we have examined copies of the approving opinion of White Law Offices, PLLC, as bond counsel, relating to the above-captioned bonds of the Issuer (the "Bonds"), a Loan Agreement, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "WVIJDC", a Bond Ordinance duly enacted by the Issuer on May 24, 2023, effective June 14, 2023 as supplemented by a Supplemental Resolution duly adopted on June 28, 2023 (collectively, the "Ordinance"), the Charter of the Town of Davis and other documents relating to the Bonds and the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Ordinance when used herein.

We are of the opinion that:

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to complete the project, to operate and maintain the System and to adopt the Ordinance, all under the Act and other applicable provisions of law.

2. The Mayor and Recorder and members of the council of the Issuer (the "Council") have been duly and properly elected or appointed, as applicable, have taken the requisite oaths and are thereby authorized to act on behalf of the Issuer in their respective capacities.

3. The Ordinance has been duly enacted by the Council and is in full force and effect.

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

5. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates, registrations and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the completion of the Project, the operation of the System and the imposition of rates and charges for the use of the System, including, without limitation, all requisite permits, approvals, orders and certificates from the WVIJDC and the Public Service Commission of West Virginia (the "PSC"). The Issuer has taken all actions required for the imposition of such rates and charges, including, without limitation, the adoption of a rate ordinance prescribing such rates and charges, the time for appeal of which has expired prior to the date hereof without successful appeal. The Issuer does not require a Certificate of Convenience and Necessity to complete the Project.

6. The Issuer has duly published the required notice with respect to, among other things, the amount of the Bonds to be issued, the interest rate and terms of the Bonds, the Project to be acquired or constructed, the cost of the Project, the anticipated user rates and charges.

7. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds and the Resolution, the completion of the Project, the operation of the System, the validity of the Bonds, the collection of the Gross Revenues or the pledge of the Gross Revenues for the payment of the Bonds.

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

Very truly yours,

Busch, Zurbuch & Thompson, PLLC

By: _____
Jeffrey S. Zurbuch, Member