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LOAN AGREEMENT

THIS DRINKING WATER TREATMENT REVOLVING FUND LOAN AGREEMENT (the "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 under the direction of the WEST VIRGINIA BUREAU FOR PUBLIC HEALTH, a division of the West Virginia Department of Health and Human Resources (the "BPH"), and the local entity designated below (the "Local Entity").

TOWN OF ELIZABETH
(2018W-1735 / 19DWTRFB011)
(Local Entity)

W I T N E S S E T H:

WHEREAS, the United States Congress under Section 1452 of the Safe Drinking Water Act, as amended (the "Safe Drinking Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining drinking water treatment revolving funds for the construction, acquisition and improvement of drinking water systems;

WHEREAS, pursuant to the provisions of Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a drinking water treatment revolving fund program (the "Program") to direct the distribution of loans to eligible Local Entities pursuant to the Safe Drinking Water Act;

WHEREAS, under the Act the BPH is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition §66.468 (1998)) and BPH has been awarded capitalization grants to partially fund the Program;

WHEREAS, the Act establishes a permanent perpetual fund known as the "West Virginia Drinking Water Treatment Revolving Fund" (hereinafter the "Fund"), which fund is to be administered and managed by the Authority under the direction of the BPH;

WHEREAS, pursuant to the Act, the Authority and BPH are empowered to make loans from the Fund to Local Entities for the design, acquisition or construction of drinking water projects by such Local Entities, all subject to such provisions and limitations as are contained in the Safe Drinking Water Act and the Act;

WHEREAS, the Local Entity constitutes a local entity as defined by the Act;

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

1.3 "Cross Cutter Authorities" means federal laws and authorities that apply by their terms to projects or activities receiving federal assistance.

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

1.5 “Local Act” means the official action of the Local Entity required by Section 4.1 hereof, authorizing the Local Bonds.

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

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

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

1.9 “Program” means the drinking water facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Safe Drinking Water Act and administered by BPH.

1.10 “Project” means the drinking water project hereinabove referred to, to be constructed or being constructed by the Local Entity in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Entity in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.11 “DWTRF Regulations” means the regulations set forth in the West Virginia Code of State Regulations.

1.12 “System” means the drinking water system owned by the Local Entity, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

ARTICLE II The Project and the System

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

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

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

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

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

2.6 The Local Entity agrees that it will permit the Authority and BPH and their respective agents to have access to the records of the Local Entity pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof or if the Project is an improvement to an existing system at any reasonable time following commencement of construction.

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

2.8 The Local Entity shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation

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

2.9 The Local Entity shall provide and maintain competent and adequate engineering services satisfactory to the Authority and BPH covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, BPH and the Local Entity at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Entity shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Local Entity shall notify BPH in writing of such receipt.

2.10 The Local Entity shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Entity shall employ qualified operating personnel properly certified by the State. If the Local Entity is a newly established water system, the Local Entity must employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The newly established Local Entity shall notify BPH in writing of the certified operator employed at the 50% completion stage.

2.11 The Local Entity hereby covenants and agrees to comply with all applicable federal and state statutes, rules and regulations, the applicable requirements of all Cross Cutter Authorities and all applicable local ordinances issued by the Authority, BPH or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

2.12 The Local Entity must complete the Monthly Financial Report, the form of which is attached hereto as Exhibit A and incorporated herein by reference, and forward it to the Authority by the 10th day of each month, commencing on the month after the loan contracts are

executed for the acquisition or construction of the Project and ending after three years. After the three-year period, it or an equivalent tracking form should continue to be completed and reviewed monthly for the utility's management to monitor its financial debt service coverage for the life of the loan. This form would be on file with the utility records according to the utility's records management policy.

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

2.14 The Local Entity shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia in the manner prescribed by and the guidelines established by the Authority and the PSC.

ARTICLE III Conditions to Loan; Issuance of Local Bonds

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

(a) The Local Entity shall have delivered to BPH and the Authority a report listing the specific purposes for which the proceeds of the Loan will be expended;

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

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

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

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

(f) The Local Entity shall have obtained all requisite orders required by the laws of the State and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal, and the Authority and BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, or bond counsel but must be satisfactory to the Authority and BPH, to such effect;

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

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

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

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority and BPH shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of drinking water projects and satisfactory to the Authority and BPH, to such effect, such certificate to be in form and substance satisfactory to the Authority and BPH, and evidence satisfactory to the Authority and BPH of such irrevocably committed grants; and

(k) The Local Entity shall have obtained 100% of the titles, easements and rights-of-way, or shall have received rights-of-entry or recorded binding options for the same and the Authority and BPH shall receive an opinion of counsel to the Local Entity, satisfactory to the Authority and BPH, to such effect.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the BPH, including the DWTRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from

time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Entity and the Local Entity shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Entity shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

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

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Entity by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, BPH and the Local Entity. 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 Local Entity understands and acknowledges that it is one of several local entities which have applied to the Authority and BPH for loans from the Fund to finance drinking water projects and that the obligation of the Authority to make any such loan is subject to the Local Entity's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Entity specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may purchase the bonds of other local entities set out in the State Project Priority List, as defined in the DWTRF Regulations. The Local Entity further specifically recognizes that all loans will be originated in conjunction with the DWTRF Regulations and with the prior approval of BPH or such later date as is agreed to in writing by the BPH.

3.6 The Local Entity shall provide BPH with the appropriate documentation to comply with the special conditions regarding the special requirements established by federal and State regulations as set forth in Exhibit D attached hereto at such times as are set forth therein.

3.7 The Local Entity shall comply with the following conditions:

(a) The Local Entity shall develop and implement an asset management plan in accordance with BPH guidelines and approved by BPH.

(b) The Local Entity shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying.

(c) The Local Entity shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds \$10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was \$10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

(d) The Local Entity shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by BPH, the Local Entity shall provide certifications as to compliance.

(e) The Local Entity shall comply with all requests for data related to the use of the funds provided under this agreement.

(f) The Local Entity shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this Agreement and (2) interview any officer or employee of the Local Entity.

(g) The Local Entity must promptly refer to EPA's Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this Agreement.

(h) The Local Entity shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

(i) The Local Entity shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 31 of title 40, United States Code. The Local Entity must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

(j) Pursuant to 40 CFR, Section 33.301, the Local Entity agrees to make Disadvantage Business Enterprise (DBE) good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Entity shall provide BPH with DBE participation reports quarterly.

(k) The Local Entity shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Entity shall also comply with Title VII of the Civil

Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and Local Entities, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

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

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

ARTICLE IV

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

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

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

- (i) to pay Operating Expenses of the System;
- (ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the “Reserve Account”) was not funded from proceeds of the Local Bonds or otherwise concurrently

with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

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

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

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

(iv) That, except as otherwise required by State law or the DWTRF Regulations, 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 from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for

the ongoing operation of the System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Entity shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority;

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

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

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

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

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

(xi) That the Local Entity shall annually, within six months of the end of the fiscal year, 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. If the Local Entity receives \$750,000 or more (in any combination of federal funds) in a fiscal year, the audit shall be obtained in accordance with 2 CFR 200 Subpart F (or any successor thereto). Financial statement audits are required once all funds have been received by the Local Entity. The audit shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Local Entity's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

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

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

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

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

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

submitted to the Authority and BPH is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Entity shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate its services to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore such services until all delinquent charges for the services of the System have been fully paid; and

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

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

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

4.3 At least two and one-half percent (2½%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the Authority monthly as required by the Local Entity to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Entity, the BPH and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the DWTRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

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

4.5 As provided by the DWTRF Regulations, the Local Entity agrees to pay from time to time, if required by the Authority and BPH, the Local Entity's allocable share of the reasonable administrative expenses of the BPH and the Authority relating to the Program. Such administrative expenses shall be determined by the BPH and the Authority and shall include, without limitation, Program expenses, legal fees paid by the BPH and the Authority and fees paid for any bonds or notes to be issued by the Authority for contribution to the Fund.

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

4.7 If a Local Entity does not draw down all of the proceeds of the Local Bonds within six months of a receipt of a substantial completion certificate or such other time as determined by BPH, the BPH will instruct the Authority to process a final draw on the Local Bonds. BPH will instruct the Authority to advance the remaining proceeds of the Local Bond to the Commission for deposit in the Local Bond's Debt Service Reserve Account.

ARTICLE V

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

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

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

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

5.4 The Local Entity hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Entity, the Authority may

exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Entity

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

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

6.3 The Local Entity hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Loan.

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

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

6.6 The Local Entity hereby agrees to give the Authority prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

6.7 The Local Entity hereby agrees to file with the Authority upon completion of acquisition and construction of the Project a schedule setting forth the actual costs of the Project and sources of funds.

ARTICLE VII Miscellaneous

7.1 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Local Entity supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

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

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

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

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

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

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Entity from either the Authority or BPH;

(ii) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the BPH if the Local Entity has failed to deliver the Local Bonds to the Authority;

(iii) termination by the Authority and BPH pursuant to Section 6.2 hereof; or

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Entity to the Authority or BPH.

In the event funds are not available to make all of the Loan, the responsibility of the Authority and BPH to make all the Loan is terminated; provided further that the obligation of the Local Entity to repay the outstanding amount of the Loan made by the Authority and BPH is not terminated due to such non-funding on any balance of the Loan. The BPH agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

[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 ELIZABETH

(SEAL)

By: Bobbie J. Moore
Its: Mayor
Date: July 25, 2019

Attest:

Brenda Evans
Its: Recorder

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

By: [Signature]
Its: Executive Director
Date: July 25, 2019

Attest:

Sheila A. Miller
Its: Authorized Officer

EXHIBIT A

Monthly Financial Report

Name of Local Entity:
Funding Agency Project No.:
Type of Project:
Fiscal Year:
Report Month:

☐ Water	☐ Wastewater
--------------------------------	-------------------------------------

Item	Current Month	Total Year to Date	Budget Year to Date	*Budget Year to Date Minus Total Year to Date
1. Gross Revenues:	0	0	0	0
2. Operating Expenses: (Including Admin Fees)	0	0	0	0
3. Renewal and Replacement Fund Deposits:	0	0	0	0
	Adequate R&R Deposit	Adequate R&R Deposit	Adequate R&R Deposit	
4. *Net Revenue: (Equation: 1-2)	0	0	0	0
5. Bond Payments: (Principal and Interest)				
Type of Issue				
Clean water SRF:				0
Drinking water SRF:				0
Infrastructure Fund:				0
Water Dev. Authority:				0
Rural Utilities Service:				0
Economic Development:				0
Other: (Identify Below)				0
*Bond Payment Total:	0	0	0	0
6.				
*Calculated Debt Coverage: (Equation: 4/6 * 100%)	#DIV/0!	#DIV/0!	#DIV/0!	
7.	#DIV/0!	#DIV/0!	#DIV/0!	

Name of Person Completing Form / Date

Address

Telephone Number

Please enter financial data in Grey cells. (If applicable)
* Self Calculating Formula

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT (EXHIBIT A)

Item 1:	You will need a copy of the current fiscal year budget adopted by the Local Entity to complete Items 1 and 2. In Item 1, provide the amount of actual Gross Revenues for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ($\$1,200/12$). This is the incremental amount for the Budget Year-to-Date column.
Item 2:	Provide the amount of actual Operating Expenses for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ($\$900/12$). This is the incremental amount for the Budget Year-to-Date column.
Item 3:	Provide the Bond Payments (principal, interest and reserve account) for all the outstanding bonds of the Local Entity according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.
Item 4:	Provide the amount deposited into the Renewal and Replacement Fund each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Entity.
The Local Entity must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10th day of each month, commencing for the month after the loan contracts are executed for the acquisition or construction of the Project and ending after three years.	

EXHIBIT B

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the BPH and any change orders approved by the Issuer, the BPH and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A, and my firm¹ has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such

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

insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the BPH and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof², the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the BPH; (xi) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (xii) the Issuer will receive as-built plans and specifications within sixty days of the receipt of a completion certificate; and (xiii) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

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

[SEAL]

By:

West Virginia License No. _____

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

EXHIBIT C

SPECIAL CONDITIONS

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

B. EXHIBIT C-1 – The Local Entity shall complete the form attached as Exhibit C-1 and submit to the BPH prior to the Closing.

C. WAGE RATES – All references to contractors and wage rates will not be applicable for the Local Entity.

D. DESIGN ONLY – Requirements herein that relate solely to construction are hereby waived.

EXHIBIT C-1

For DHHR Use Only:
Grant Number _____

West Virginia Department of Health and Human Resources
Subrecipient (Grantee) Information Form – DHHR Finance A-1000
Please see the Instructions for Completion of the Subrecipient (Grantee) Information Form

1. Subrecipient (Grantee) Legal Name	2. Subrecipient (Grantee) DBA Name

3. Subrecipient (Grantee) 9-Digit DUNS Number

4. Subrecipient (Grantee) Physical Location			
Street 1:		State:	
Street 2:		Zip +4:	
City:		County:	

5. Subrecipient (Grantee) Type (Please check one box only)	
☐ A - State Government ☐ B - County Government ☐ C - City or Township Government ☐ D - Special District Government ☐ E - Regional Organization ☐ F - U.S. Territory or Possession ☐ G - Independent School District ☐ H - Public/State Controlled Institution of Higher Learning ☐ I - Indian/Native American Tribal Government (Federally Recognized) ☐ J - Indian/Native American Tribal Government (Other than Federally Recognized) ☐ K - Indian/Native American Tribally Designated Organization ☐ L - Public/Indian Housing Authority	☐ M - Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education) ☐ N - Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education) ☐ O - Private Institution of Higher Education ☐ P - Individual ☐ Q - For-Profit Business (Other than Small Business) ☐ R - Small Business ☐ S - Hispanic-serving Institution ☐ T - Historically Black Colleges and Universities (HBCUs) ☐ U - Tribally Controlled Colleges and Universities (TCCUs) ☐ V - Alaska Native and Native Hawaiian Serving Institutions ☐ W - Non-domestic (non-US) entity ☐ X - Other (Please explain) _____

6. Subrecipient (Grantee) Primary Place of Performance	
City:	Zip +4:
State:	County:

7. Subrecipient (Grantee) Highly Compensated Officers (if applicable)		
Officer Name	Title	Total Compensation

NOTE: This form must be signed by an individual no lower than the Executive Director or Chief Financial Officer.

Printed Name _____ Title _____
Signature _____ Date _____ Phone # _____

DHHR Finance A-1000 (Revised Sept 2009)

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond
Commission

on behalf of _____ on _____.
[Local Entity] [Date]

Sinking Fund:

Interest\$ _____

Principal \$ _____

Total: \$ _____

Reserve Account: \$ _____

Witness my signature this ____ day of _____.

[Name of Local Entity]

By: _____
Authorized Officer

Enclosure: wire transfer form

EXHIBIT E

OPINION OF BOND COUNSEL FOR LOCAL ENTITY

[To Be Dated as of Date of Loan Closing]

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

West Virginia Bureau for Public Health
Drinking Water Treatment Revolving Fund Program
350 Capitol Street, Room 313
Charleston, WV 25301-3713

Ladies and Gentlemen:

We are bond counsel to _____ (the "Local Entity"), a

_____.
We have examined a certified copy of proceedings and other papers relating to the authorization of a (i) loan agreement dated _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Entity and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and (ii) the issue of a series of revenue bonds of the Local Entity, dated _____ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of \$_____, in the form of one bond, registered as to principal and interest to the Authority, with principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning _____ 1, ____, and ending _____ 1, ____, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	\$323,950
Purchase Price of Local Bonds	\$323,950

The Local Bonds shall bear interest at a rate of 0.75% per annum. Commencing March 1, 2020, principal of and interest on the Local Bonds is payable quarterly, with an administrative fee of 0.5%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

1. Water Revenue Bond, Series 1982, dated June 9, 1982, issued in the original principal amount of \$547,000;
2. Water Revenue Bond, Series 2002, dated February 6, 2002, issued in the original principal amount of \$450,000; and
3. Water Revenue Bond, Series 2008, dated February 8, 2008, issued in the original principal amount of \$932,000.

Number of New Customers To Be Served: 100

Location: Munday Road, Fish Hatchery Road, Enterprise Road and Creston areas of the Town of Elizabeth, Wirt County

SCHEDULE Y DEBT SERVICE SCHEDULE

Net Debt Service

Town of Elizabeth

DWTRF

\$323,950

0.75% Interest Rate

0.5% Administrative Fee

30 Years

Date	Principal	Interest	Total Debt Service	Reserve Fund	Admin Fee	Net Debt Service
3/1/2020	2,410	607.41	3,017.41	301.76	211.74	3,530.91
6/1/2020	2,414	602.89	3,016.89	301.75	211.74	3,530.38
9/1/2020	2,419	598.36	3,017.36	301.75	211.74	3,530.85
12/1/2020	2,423	593.83	3,016.83	301.75	211.74	3,530.32
3/1/2021	2,428	589.28	3,017.28	301.75	211.74	3,530.77
6/1/2021	2,432	584.73	3,016.73	301.75	211.74	3,530.22
9/1/2021	2,437	580.17	3,017.17	301.75	211.74	3,530.66
12/1/2021	2,442	575.60	3,017.60	301.75	211.74	3,531.09
3/1/2022	2,446	571.02	3,017.02	301.75	211.74	3,530.51
6/1/2022	2,451	566.44	3,017.44	301.75	211.74	3,530.93
9/1/2022	2,455	561.84	3,016.84	301.75	211.74	3,530.33
12/1/2022	2,460	557.24	3,017.24	301.75	211.74	3,530.73
3/1/2023	2,465	552.62	3,017.62	301.75	211.74	3,531.11
6/1/2023	2,469	548.00	3,017.00	301.75	211.74	3,530.49
9/1/2023	2,474	543.37	3,017.37	301.75	211.74	3,530.86
12/1/2023	2,478	538.73	3,016.73	301.75	211.74	3,530.22
3/1/2024	2,483	534.09	3,017.09	301.75	211.74	3,530.58
6/1/2024	2,488	529.43	3,017.43	301.75	211.74	3,530.92
9/1/2024	2,492	524.77	3,016.77	301.75	211.74	3,530.26
12/1/2024	2,497	520.10	3,017.10	301.75	211.74	3,530.59
3/1/2025	2,502	515.41	3,017.41	301.75	211.74	3,530.90
6/1/2025	2,506	510.72	3,016.72	301.75	211.74	3,530.21
9/1/2025	2,511	506.02	3,017.02	301.75	211.74	3,530.51
12/1/2025	2,516	501.32	3,017.32	301.75	211.74	3,530.81
3/1/2026	2,521	496.60	3,017.60	301.75	211.74	3,531.09
6/1/2026	2,525	491.87	3,016.87	301.75	211.74	3,530.36
9/1/2026	2,530	487.14	3,017.14	301.75	211.74	3,530.63
12/1/2026	2,535	482.39	3,017.39	301.75	211.74	3,530.88
3/1/2027	2,540	477.64	3,017.64	301.75	211.74	3,531.13
6/1/2027	2,544	472.88	3,016.88	301.75	211.74	3,530.37
9/1/2027	2,549	468.11	3,017.11	301.75	211.74	3,530.60
12/1/2027	2,554	463.33	3,017.33	301.75	211.74	3,530.82
3/1/2028	2,559	458.54	3,017.54	301.75	211.74	3,531.03
6/1/2028	2,563	453.74	3,016.74	301.75	211.74	3,530.23
9/1/2028	2,568	448.94	3,016.94	301.75	211.74	3,530.43
12/1/2028	2,573	444.12	3,017.12	301.75	211.74	3,530.61
3/1/2029	2,578	439.30	3,017.30	301.75	211.74	3,530.79
6/1/2029	2,583	434.46	3,017.46	301.75	211.74	3,530.95
9/1/2029	2,588	429.62	3,017.62	301.75	211.74	3,531.11
12/1/2029	2,592	424.77	3,016.77	301.75	211.74	3,530.26
3/1/2030	2,597	419.91	3,016.91		211.74	3,228.65
6/1/2030	2,602	415.04	3,017.04		211.74	3,228.78
9/1/2030	2,607	410.16	3,017.16		211.74	3,228.90
12/1/2030	2,612	405.27	3,017.27		211.74	3,229.01
3/1/2031	2,617	400.37	3,017.37		211.74	3,229.11
6/1/2031	2,622	395.47	3,017.47		211.74	3,229.21

Net Debt Service
Town of Elizabeth
DWTRF
\$323,950
0.75% Interest Rate
0.5% Administrative Fee
30 Years

Date	Principal	Interest	Total Debt Service	Reserve Fund	Admin Fee	Net Debt Service
9/1/2031	2,627	390.55	3,017.55		211.74	3,229.29
12/1/2031	2,632	385.62	3,017.62		211.74	3,229.36
3/1/2032	2,637	380.69	3,017.69		211.74	3,229.43
6/1/2032	2,641	375.74	3,016.74		211.74	3,228.48
9/1/2032	2,646	370.79	3,016.79		211.74	3,228.53
12/1/2032	2,651	365.83	3,016.83		211.74	3,228.57
3/1/2033	2,656	360.86	3,016.86		211.74	3,228.60
6/1/2033	2,661	355.88	3,016.88		211.74	3,228.62
9/1/2033	2,666	350.89	3,016.89		211.74	3,228.63
12/1/2033	2,671	345.89	3,016.89		211.74	3,228.63
3/1/2034	2,676	340.88	3,016.88		211.74	3,228.62
6/1/2034	2,681	335.87	3,016.87		211.74	3,228.61
9/1/2034	2,686	330.84	3,016.84		211.74	3,228.58
12/1/2034	2,691	325.80	3,016.80		211.74	3,228.54
3/1/2035	2,696	320.76	3,016.76		211.74	3,228.50
6/1/2035	2,702	315.70	3,017.70		211.74	3,229.44
9/1/2035	2,707	310.64	3,017.64		211.74	3,229.38
12/1/2035	2,712	305.56	3,017.56		211.74	3,229.30
3/1/2036	2,717	300.48	3,017.48		211.74	3,229.22
6/1/2036	2,722	295.38	3,017.38		211.74	3,229.12
9/1/2036	2,727	290.28	3,017.28		211.74	3,229.02
12/1/2036	2,732	285.17	3,017.17		211.74	3,228.91
3/1/2037	2,737	280.04	3,017.04		211.74	3,228.78
6/1/2037	2,742	274.91	3,016.91		211.74	3,228.65
9/1/2037	2,747	269.77	3,016.77		211.74	3,228.51
12/1/2037	2,753	264.62	3,017.62		211.74	3,229.36
3/1/2038	2,758	259.46	3,017.46		211.74	3,229.20
6/1/2038	2,763	254.29	3,017.29		211.74	3,229.03
9/1/2038	2,768	249.11	3,017.11		211.74	3,228.85
12/1/2038	2,773	243.92	3,016.92		211.74	3,228.66
3/1/2039	2,779	238.72	3,017.72		211.74	3,229.46
6/1/2039	2,784	233.51	3,017.51		211.74	3,229.25
9/1/2039	2,789	228.29	3,017.29		211.74	3,229.03
12/1/2039	2,794	223.06	3,017.06		211.74	3,228.80
3/1/2040	2,799	217.82	3,016.82		211.74	3,228.56
6/1/2040	2,805	212.57	3,017.57		211.74	3,229.31
9/1/2040	2,810	207.31	3,017.31		211.74	3,229.05
12/1/2040	2,815	202.04	3,017.04		211.74	3,228.78
3/1/2041	2,820	196.76	3,016.76		211.74	3,228.50
6/1/2041	2,826	191.48	3,017.48		211.74	3,229.22
9/1/2041	2,831	186.18	3,017.18		211.74	3,228.92
12/1/2041	2,836	180.87	3,016.87		211.74	3,228.61
3/1/2042	2,842	175.55	3,017.55		211.74	3,229.29
6/1/2042	2,847	170.22	3,017.22		211.74	3,228.96
9/1/2042	2,852	164.88	3,016.88		211.74	3,228.62
12/1/2042	2,858	159.54	3,017.54		211.74	3,229.28

Jul 1, 2019 11:06 am

(WDA:LOANS-ELIZ119) 3

Net Debt Service*Town of Elizabeth**DWTRF***\$323,950***0.75% Interest Rate**0.5% Administrative Fee**30 Years*

Date	Principal	Interest	Total Debt Service	Reserve Fund	Admin Fee	Net Debt Service
3/1/2043	2,863	154.18	3,017.18		211.74	3,228.92
6/1/2043	2,868	148.81	3,016.81		211.74	3,228.55
9/1/2043	2,874	143.43	3,017.43		211.74	3,229.17
12/1/2043	2,879	138.04	3,017.04		211.74	3,228.78
3/1/2044	2,885	132.65	3,017.65		211.74	3,229.39
6/1/2044	2,890	127.24	3,017.24		211.74	3,228.98
9/1/2044	2,895	121.82	3,016.82		211.74	3,228.56
12/1/2044	2,901	116.39	3,017.39		211.74	3,229.13
3/1/2045	2,906	110.95	3,016.95		211.74	3,228.69
6/1/2045	2,912	105.50	3,017.50		211.74	3,229.24
9/1/2045	2,917	100.04	3,017.04		211.74	3,228.78
12/1/2045	2,923	94.57	3,017.57		211.74	3,229.31
3/1/2046	2,928	89.09	3,017.09		211.74	3,228.83
6/1/2046	2,934	83.60	3,017.60		211.74	3,229.34
9/1/2046	2,939	78.10	3,017.10		211.74	3,228.84
12/1/2046	2,945	72.59	3,017.59		211.74	3,229.33
3/1/2047	2,950	67.07	3,017.07		211.74	3,228.81
6/1/2047	2,956	61.54	3,017.54		211.74	3,229.28
9/1/2047	2,961	55.99	3,016.99		211.74	3,228.73
12/1/2047	2,967	50.44	3,017.44		211.74	3,229.18
3/1/2048	2,972	44.88	3,016.88		211.74	3,228.62
6/1/2048	2,978	39.31	3,017.31		211.74	3,229.05
9/1/2048	2,983	33.72	3,016.72		211.74	3,228.46
12/1/2048	2,989	28.13	3,017.13		211.74	3,228.87
3/1/2049	2,995	22.52	3,017.52		211.74	3,229.26
6/1/2049	3,000	16.91	3,016.91		211.74	3,228.65
9/1/2049	3,006	11.28	3,017.28		211.74	3,229.02
12/1/2049	3,012	5.65	3,017.65		211.74	3,229.39
	323,950	38,112.52	362,062.52	12,070.01	25,408.80	399,541.33

Notes:

1. \$1,177.05 from 12/01/2019 through 11/01/2029 (based on maximum quarterly payment rounded up to the nearest cent)
2. \$1,076.49 from 12/01/2029 through 11/01/2039 (based on maximum quarterly payment rounded up to the nearest cent)
3. Reserve Fund equal to \$12,070.010 (maximum annual debt service) funded up over 10 years
4. Admin Fee calculated based on percent of bond value computed quarterly paid in equal increments rounded up to the nearest cent.

\$323,950
TOWN OF ELIZABETH
WATER REVENUE DESIGN BOND, SERIES 2019
(WEST VIRGINIA DWTRF PROGRAM)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO DATE, MATURITY DATE, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE TOWN OF ELIZABETH, WATER REVENUE DESIGN BOND, SERIES 2019; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BOND TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BOND.

WHEREAS, the Town Council (the "Council") of the Town of Elizabeth (the "Town") duly and officially enacted a Bond Ordinance on July 11, 2019 (the "Ordinance"), entitled:

ORDINANCE AUTHORIZING THE DESIGN OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE PUBLIC WATER SYSTEM OF THE TOWN OF ELIZABETH, WEST VIRGINIA; AND THE FINANCING OF A PORTION OF THE COST THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT TO EXCEED \$323,950 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE DESIGN BOND, SERIES 2019, FOR THE DESIGN OF THE PUBLIC WATER SYSTEM THROUGH FINANCING TO BE OBTAINED BY THE TOWN AT A COST ESTIMATED TO BE APPROXIMATELY \$323,950; WITH BOND PROCEEDS TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF, OR AVAILABLE TO, THE TOWN OF ELIZABETH WHICH MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, AND TO PAY OTHER COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNER OF SUCH BOND; PLEDGING NET REVENUES, ON A PARITY BASIS, AS SECURITY FOR THE BOND; PLACING LIMITATION ON SALE OF SYSTEM; AND AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BOND AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Ordinance provides for the issuance of the Town of Elizabeth, Water Revenue Design Bond, Series 2019 (West Virginia DWTRF Program) (the "Bond"), in the aggregate principal amount of \$323,950, in accordance with Chapter 8, Article 19 of the Code of West Virginia, 1931, as amended (the "Act");

WHEREAS, the Ordinance provided that the date, maturity date, interest and principal payment dates and other terms of the Bond should be established by a supplemental resolution pertaining to the Bond, and other matters relating to the Bond be herein provided for;

WHEREAS, the Bond is proposed to be purchased by the West Virginia Water Development Authority (the "Authority");

WHEREAS, the Council deems it essential and desirable that this Supplemental Resolution (the "Supplemental Resolution") be adopted and that the title, date, maturity date, interest and principal payment dates and other terms of the Bond be fixed hereby in the manner stated herein, and that other matters relating to the Bond be herein provided for; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Ordinance;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ELIZABETH AS FOLLOWS:

Section 1. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Town of Elizabeth, Water Revenue Design Bond, Series 2019 (West Virginia DWTRF Program), originally represented by one bond, numbered R-1, in the principal amount of \$323,950. The Bond shall be dated July 25, 2019, shall mature on December 1, 2049, and shall bear interest at the rate of 0.75% per annum. Quarterly installments of principal and interest shall be paid commencing on March 1, 2020, and continuing on each March 1, June 1, September 1, and December 1 through December 1, 2049, until paid in full. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Town.

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

Section 3. The Town hereby affirms all covenants and representations made in the application to the Authority. The price of the Bond shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds will be advanced from time to time as requisitioned by the Town.

Section 4. The proceeds of the Bond, as advanced from time to time, shall be deposited in or credited to the Design Fund, as received by the Town for payment of Costs of the Project, including costs of issuance of the Bond.

Section 5. The Mayor and Clerk/Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bond hereby and by the Ordinance approved and provided for, to the end that the Bond may be delivered on or about July 25, 2019, to the Authority.

Section 6. The acquisition and construction of the Project and the financing of the Project in part with proceeds of the Bond are in the public interest, serves a public purpose of the Town and will promote the health, welfare and safety of the residents of the Town.

Section 7. The Town hereby approves and accepts all contracts relating to the financing and design of the Project. The Town hereby approves the costs of issuance and authorizes the payment of the same.

Section 8. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 11th day of July, 2019.

TOWN OF ELIZABETH

By:

Mayor

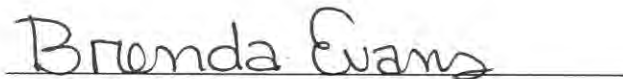


CERTIFICATION

Certified as a true copy of a Resolution duly adopted by the Town Council of the Town of Elizabeth on the 11th day of July, 2019.

Dated: July 11, 2019.

[SEAL]


Clerk/Recorder

SPECIMEN

STATE OF WEST VIRGINIA
TOWN OF ELIZABETH
WATER REVENUE DESIGN BOND, SERIES 2019
(WEST VIRGINIA DWTRF PROGRAM)

No. R-1

\$323,950
Date: July 25, 2019

KNOW ALL MEN BY THESE PRESENTS: That TOWN OF ELIZABETH, a municipality, public corporation and political subdivision of the State of West Virginia in Wirt 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 order of the West Virginia Water Development Authority (the "Authority"), the sum of Three Hundred Twenty-three Thousand Nine Hundred Fifty and 00/100 Dollars (\$323,950.00), or such lesser amount as set forth on the Record of Advances attached as Exhibit A hereto and incorporated herein by reference, plus interest on the unpaid principal balance at the rate of zero and 75/100 percent (0.75%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Quarterly installments of interest and principal, commencing on March 1, 2010, in the amount of \$3,017.41, and continuing each March 1, June 1, September 1 and December 1 thereafter except that the final installment shall be paid at the end of thirty (30) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Issuer in its capacity as Registrar. Provided, however, for so long as the Authority remains the owner of this Bond, the Issuer shall remit payments directly to the Authority or any agency or department thereof.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Issuer.

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

SPECIMEN

This Bond is issued (i) to pay the costs of the design of certain additions, betterments and improvements to the public water facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The water system of the Issuer, together with the Project, and any further extensions, additions, betterments or improvements thereto is 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 19 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer and effective July 11, 2019 (the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance 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 Bond under the Ordinance.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, from moneys in the Reserve Account created under the Ordinance for the Bonds (the "Series 2019 Bond Reserve Account") and unexpended proceeds of the Bond, on parity with the Issuer's Water Revenue Bond, Series 1982, Water Revenue Bond, Series 2002, and Water Revenue Bonds, Series 2008 (the "Prior Bonds"). Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute 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 hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2019 Bond Reserve Account and unexpended proceeds of the Bond. Pursuant to the Ordinance, 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 one hundred fifteen percent (115%) of the maximum amount payable in any year for principal of and interest on the Bond and the Prior Bonds, and all other obligations secured by a lien on or payable from such net revenues prior to or on parity with the Bond, provided however, that so long as there exists in the Series 2019 Bond Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bond in the then current or any succeeding year and in the reserve account established for any other obligations outstanding prior to or on parity with the Bond, an amount at least equal to the requirement therefor, such percentage may be reduced to one hundred ten percent (110%).

The Issuer has entered into certain further covenants with the registered owner of the Bond for the terms of which reference is made to the Ordinance. Remedies provided the registered owner of the Bond are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Issuer, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Resolution, and upon surrender and cancellation of this Bond. Upon such

transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

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

THIS BOND IS ON PARITY AS TO LIEN AND SOURCE OF PAYMENT WITH THAT CERTAIN WATER REVENUE BOND, SERIES 1982, OF THE ISSUER DESCRIBED IN AN ORDINANCE ENACTED ON JUNE 2, 1982; THAT CERTAIN WATER REVENUE BOND, SERIES 2002, OF THE ISSUER DESCRIBED IN AN ORDINANCE ENACTED ON JUNE 28, 2001, AS SUPPLEMENTED BY A SUPPLEMENTAL. RESOLUTION PROVIDING FOR DATE OF ISSUANCE OF BOND AND AMENDMENT OF PRIOR ORDINANCE ADOPTED ON JANUARY 28, 2002; AND THAT CERTAIN WATER REVENUE BOND, SERIES 2008 DESCRIBED IN AN ORDINANCE ENACTED AUGUST 9, 2007 AS SUPPLEMENTED BY A SUPPLEMENTAL RESOLUTION ADOPTED JANUARY 10, 2008.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, 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 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 Ordinance, 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.

IN WITNESS WHEREOF, TOWN OF ELIZABETH has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk/Recorder and has caused this Bond to be dated July 25, 2019.

[SEAL]

ATTEST:


SPECIMEN
Clerk/Recorder

TOWN OF ELIZABETH

By: 
SPECIMEN
Mayor

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2019 Bond described in the Ordinance and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: July 25, 2019.

United Bank, as Registrar

By: _____

Vice President

SPECIMEN

SPECIMEN

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 of the within Bond of said Issuer with full power of substitution in the premises.

Dated: _____, 20__.

(Assignor)

Witnessed in the presence of:

RECORD OF ADVANCES

	<u>AMOUNT</u>	<u>DATE</u>		<u>AMOUNT</u>	<u>DATE</u>
(1)	\$178,950	7/25/19	(6)	\$	
(2)	\$		(7)	\$	
(3)	\$		(8)	\$	
(4)	\$		(9)	\$	
(5)	\$		(10)	\$	

TOTAL \$

BOND REGISTER

STATE OF WEST VIRGINIA
TOWN OF ELIZABETH
WATER REVENUE DESIGN BOND, SERIES 2019
(WEST VIRGINIA DWTRF PROGRAM)

<u>Bond Number</u>	<u>Principal Amount</u>	<u>Date of Bond</u>
No. R-1	\$323,950.00	July 25, 2019

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

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

Signature of Registrar:

United Bank

By: 

Vice President



United States Department of Agriculture

Rural Development

West Virginia State
Office

1550 Earl Core Road,
Suite 101
Morgantown, WV
26505

Voice 304.284.4860
1.800.295.8228

**TOWN OF ELIZABETH
WATER REVENUE DESIGN BOND, SERIES 2019
(WEST VIRGINIA DWTRF PROGRAM)**

CONSENT TO ISSUANCE OF PARITY BOND

The undersigned duly authorized representative of the United States of America, acting through the United States Department of Agriculture, Rural Development, the registered owner of the Town of Elizabeth, Water Revenue Bond, Series 1982, Water Revenue Bond, Series 2002 and Water Revenue Bond, Series 2008 (collectively, the "Prior Bonds"), hereby consents to the issuance of the Town of Elizabeth's Water Revenue Design Bond, Series 2019 (West Virginia DWTRF Program), in the original aggregate principal amount of \$323,950 (the "Series 2019 Bond"), by the Town of Elizabeth (the "Issuer"), under the terms of a Bond Ordinance authorizing the Series 2019 Bond (the "Ordinance"), on a parity as to liens, pledge and source of and security for payment with the Issuer's Prior Bonds.

WITNESS my signature as of the 25th day of June, 2019.

UNITED STATES OF AMERICA,
UNITED STATES DEPARTMENT OF
AGRICULTURE, RURAL DEVELOPMENT

By: 

State Director

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

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mbc.wv.gov

Date of Report: July 25, 2019

ISSUE: Town of Elizabeth, Water Revenue Design Bond

ADDRESS: P.O. Box 478, Elizabeth, WV 26143

COUNTY: Wirt

PURPOSE OF ISSUE: X New Money
 RefundingRefunds issue(s) dated: ISSUE DATE: July 25, 2019 RATE: 0.75% ADMIN FEE: 0.5% ISSUE AMOUNT: \$ 323,950 1st DEBT SERVICE DUE: March 1, 2020 1st PRINCIPAL DUE: July 1, 2020 1st DEBT SERVICE AMOUNT: \$3,017.49 PAYING AGENT: Municipal Bond Commission BOND COUNSEL: Goodwin & Goodwin, LLP Contact Name: W.K. Bragg, Jr., Esquire Phone: (304) 346-7000 Email: wkb@goodwingoodwin.com UNDERWRITERS COUNSEL: Contact Name: Phone: Email: LENDER: WV Water Development Auth. Contact Name: Sheila Miller Phone: (304) 414-6500 Email: smiller@wvwda.org CLOSING BANK: United Bank Contact Name: Thomas Provenzano Phone: 304-348-8356 Email: Thomas.Provenzano@bankwithunited.com

KNOWLEDGEABLE ISSUER CONTACT:

Contact Name: Bobbi Moore Title: Mayor Phone: (304) 275-3200 Email: OTHER : WVBPH Contact Name : Stephanie Hickerson Title : Program Manager Phone: (304) 356-4292 Email: Stephanie.d.hickerson@wv.gov DEPOSITS TO MBC AT CLOSE: By Wire Check In-house Transfer Accrued Interest: 0 Capitalized Interest: 0 Reserve Account: Other :

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By Wire Check IGT To Escrow Trustee : N/A To Issuer: N/A To Cons. Invest Fund: N/A To Other :

ISSUER NUMBERS:

BANK ID NUMBER: CUSIP: ACCOUNT NUMBER: PROGRAM NUMBER: NOTES: Reserve fund to be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

Documents Required: Transfers Required:

FORM OF RESOLUTION

WHEREAS, Town of Elizabeth (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) Bobbi Moore and Brenda Evans 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 11th day of July, 2019

Bobbi G. Moore
(Authorized Officer)

Brenda Evans
(Authorized Officer)

(Authorized Officer)



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July 25, 2019

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

Re: \$323,950 Town of Elizabeth
Water Revenue Design Bond, Series 2019
(West Virginia DWTRF Program)

Gentlemen:

We are bond counsel to the Town of Elizabeth, West Virginia (the "Town"), a municipal corporation located in Wirt County, West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the issuance of the funding commitment letter dated May 17, 2019, including all schedules and exhibits attached thereto), from the Drinking Water Treatment Revolving Fund ("DWTRF") to the Town and (ii) the issuance of \$323,950 in aggregate principal amount of Water Revenue Design Bond, Series 2019 of the Town, dated July 25, 2019 (the "Series 2019 Bond"), to be purchased by the West Virginia Water Development Authority (the "Authority"). The Series 2019 Bond is in the principal amount of \$323,950 and is issued in the form of one bond registered as to principal and interest to the Authority.

Interest on the Bonds shall be paid on the unpaid principal balance of the Series 2019 Bond at Zero and 75/100 percent (0.75%) per annum payable in quarterly installments of \$3,017.41 commencing March 1, 2020, and continuing on each March 1, June 1, September 1 and December 1, as set forth on the "Debt Service Schedule" attached as Exhibit B to the bond. The final installment of principal and interest on the Series 2019 Bond shall be paid December 1, 2049.

The Series 2019 Bond is issued for the purpose of financing a portion of the costs of designing certain additions, betterments and improvements for an existing water system, and paying certain issuance and other costs in connection therewith (the "Project").

We have also examined the applicable provisions of Chapter 8, Article 19 of the Code of West Virginia of 1931, as amended (the "Act"), and the Series 2019 Bond has been authorized by a Bond Ordinance duly enacted by the Council of the Town ("Council") effective on July 11, 2019, as supplemented by a Supplemental Resolution adopted on July 11, 2019 (collectively, the "Ordinance"), pursuant to and under which Act and Ordinance the Series 2019 Bond is authorized and issued, and the Project funding has been undertaken. The Series 2019 Bond is subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Ordinance.

In rendering this opinion, we have relied, in part, upon the opinion of Goodwin & Goodwin, LLP, as the Town's Counsel, for the proper enactment of the Bond Ordinance and the Rate Ordinance, water rates, matters related to the valid existence of the Town and other issues.

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 funding commitment has been duly accepted by and on behalf of the Town.
2. The Town is a duly organized and presently existing municipal corporation of the State of West Virginia, with full power and authority to construct the Project and to operate and maintain the System referred to in the Ordinance and to issue and sell the Series 2019 Bond, all under the Act and other applicable provisions of law. The Town has taken all legal action necessary to operate a water system.
3. The Town has legally and effectively enacted the Ordinance and has satisfied all other necessary requirements in connection with the issuance and sale of the Series 2019 Bond on parity with the Prior Bonds, as described in the Ordinance.
4. The Series 2019 Bond is a valid and legally enforceable special obligation of the Town, payable from the Net Revenues of the System referred to in the Ordinance and secured by a parity lien on and pledge of the Net Revenues of the System, all in accordance with the terms of the Series 2019 Bond, the Ordinance and the Rate Ordinance adopted on May 11, 2016, and have been duly issued and delivered to DWTRF. The Town has reserved the right to issue additional bonds ranking on parity with the Series 2019 Bond and the Prior Bonds, as provided in the Ordinance. The Town has certified, and an independent certified public accountant has verified, that the rates and charges generated by the Rate Ordinance are sufficient to pay the principal of and interest on the Series 2019 Bond and the Prior Bonds, when due. The Ordinance requires that such schedule of rates and charges be changed and readjusted whenever necessary so that the aggregate of such rates and charges will be sufficient for such purposes.

5. Under existing statutes and court decisions, as presently written and applied, interest on the Series 2019 Bond is excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and such interest will not be treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals and corporations. Under the Code, however, such interest is included in the adjusted current earnings of a corporation for purposes of computing the alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2019 Bond in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Town has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the interest on the Series 2019 Bond to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2019 Bond. We express no opinion herein regarding other tax consequences arising with respect to the Series 2019 Bond.

6. Under the Act, as presently written and applied, the Series 2019 Bond and the income thereon are exempt from taxation by the State of West Virginia pursuant to the provisions of Section 8-19-4 of the Code of West Virginia of 1931, as amended.

No opinion is given herein as to the effect upon enforceability of the Series 2019 Bond of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond numbered R-1, and in our opinion, the form of the Series 2019 Bond and its execution and authentication are regular and proper.

Respectfully submitted,

Goodwin + Goodwin, LLP
GOODWIN & GOODWIN, LLP



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July 25, 2019

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

Goodwin & Goodwin, LLP
P.O. Box 2107
Charleston, WV 25328

Re: \$323,950 Town of Elizabeth
Water Revenue Design Bond, Series 2019
(West Virginia DWTRF Program)

Ladies and Gentlemen:

We are counsel to the Town of Elizabeth (the "Town"). We have reviewed various documents relating to the above-captioned bond of the Town (the "Bond"), and an Ordinance duly enacted by the Council of the Town (the "Council") and effective on July 11, 2019 (the "Ordinance"), and other documents relating to the Bond. Terms used in this opinion and not otherwise defined herein shall have the same meanings as contained in the Ordinance. We are of the opinion as follows:

1. The Town is a duly organized and presently existing municipality, with full power and authority to acquire and construct the Project referred to in the Ordinance and to issue and sell the Bond, all under the Ordinance and other applicable provisions of law.
2. The members of the Town Council were duly and properly elected or appointed and are thereby authorized to act on behalf of the Town.
3. The Ordinance has been duly enacted by the Council and is in full force and effect.
4. The execution and delivery of the Bond and the consummation of the transactions contemplated by 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 Town a breach of or default under any agreement or other instrument to which the Town is a party or any existing law, regulation, court order or consent decree to which the Town is subject.
5. The Town has received all necessary permits, licenses, approvals and authorizations that are presently obtainable to acquire and construct and to finance the Project including a letter from the West Virginia Infrastructure and Jobs Development Council.

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6. The Town has confirmed with the Staff of the West Virginia Public Service Commission that the Project is in the Town's ordinary course of business and that the Town may proceed with design of improvements to the Town's water system and issuance of the above-captioned bond.

7. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public council or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by or the validity of the Bond or the collection or pledge of the revenues.

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

The foregoing opinion is qualified to the extent that the enforceability of the liens, pledges and terms set forth in the Bond and in the Ordinance may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally.

Respectfully submitted,

Goodwin & Goodwin, LLP
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