

HARDY COUNTY PUBLIC SERVICE DISTRICT

**Water Revenue Bonds, Series 2020 A
(United States Department of Agriculture)**

BOND RESOLUTION

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HARDY COUNTY PUBLIC SERVICE DISTRICT

BOND RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING WATERWORKS SYSTEM OF HARDY COUNTY PUBLIC SERVICE DISTRICT, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$2,073,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2020 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

**BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF
HARDY COUNTY PUBLIC SERVICE DISTRICT:**

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

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. Hardy County Public Service District (the "Issuer") is a public corporation, public service district and political subdivision of the State of West Virginia in Hardy County of said State, duly created pursuant to the Act by The County Commission of Hardy County.

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

A. The Issuer currently owns and operates a public waterworks system and desires to finance and acquire, construct, operate and maintain certain additional public service properties consisting of additions, improvements and extensions to such existing waterworks facilities with all appurtenant facilities, within the boundaries of the Issuer to be owned and operated by the Issuer.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer, and, accordingly, it is hereby ordered, that prior construction to the System be permanently financed, and that there be constructed and designed certain additions, improvements and extensions to the existing waterworks facilities of the Issuer, consisting of extension of water services to the residents of Dover Hollow, Fort Run and Killdeer Lane areas, improve water service to customers on Trough Road and Trout Run Cutoff and upgrade to the Baker Water Treatment Plant, together with all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (the "Governing Body") of the Issuer. The existing waterworks facilities of the Issuer, together with the Project and any further additions, improvements or extensions thereto, are herein called the "System." The Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (hereinafter defined) and all funds and accounts and other payments provided for herein.

D. The Issuer intends to permanently finance a portion of the costs of the Project through the issuance of its Water Revenue Bonds, Series 2020 A (United States Department of Agriculture), in the aggregate principal amount of \$2,073,000 (the "Series 2020 A Bonds"), to permanently finance a portion of the cost of such construction in the manner herein provided, to capitalize interest and pay the costs of issuances thereof. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2020 A Bonds; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized; provided, that reimbursement to the Issuer for any amounts expended by it for the repayment of indebtedness incurred for costs of the Project by the Issuer shall be deemed costs of the Project.

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

F. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2020 A Bonds as to liens, pledge and source of and security for payment:

- (i) Water Revenue Bonds, Series 2001 A (United States Department of Agriculture), dated September 18, 2001, issued in the original aggregate principal amount of \$650,000 (the "Series 2001 A Bonds");

- (ii) Water Revenue Bonds, Series 2002 A (West Virginia Infrastructure Fund), dated March 19, 2002, issued in the original aggregate principal amount of \$1,215,824 (the "Series 2002 A Bonds");
- (iii) Water Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated July 30, 2003, issued in the original aggregate principal amount of \$534,200 (the "Series 2003 A Bonds");
- (iv) Water Revenue Bonds, Series 2008 A (United States Department of Agriculture), dated October 14, 2008, issued in the original aggregate principal amount of \$2,366,000 (the "Series 2008 A Bonds");
- (v) Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), dated September 30, 2010, issued in the original aggregate principal amount of \$1,641,250 (the "Series 2010 A Bonds")
- (vi) Water Refunding Revenue Bonds, Series 2017 A, dated April 19, 2017, issued to Capon Valley Bank in the original aggregate principal amount of \$139,000 (the "Series 2017 A Bonds");
- (vii) Water Refunding Revenue Bonds, Series 2017 B, dated April 19, 2017, issued to Capon Valley Bank in the original aggregate principal amount of \$26,000 (the "Series 2017 B Bonds");
- (viii) Water Refunding Revenue Bonds, Series 2017 C, dated April 19, 2017, issued to Capon Valley Bank in the original aggregate principal amount of \$208,000 (the "Series 2017 C Bonds");
- (ix) Water Refunding Revenue Bonds, Series 2017 D, dated April 19, 2017, issued to The Grant County Bank in the original aggregate principal amount of \$422,900 (the "Series 2017 D Bonds"); and
- (x) Water Refunding Revenue Bonds, Series 2017 E, dated April 19, 2017, issued to The Grant County Bank in the original aggregate principal amount of \$430,400 (the "Series 2017 E Bonds") (collectively, the "Prior Bonds").

Other than the Prior Bonds there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2020 A Bonds as to liens, pledge and/or source of and security for payment.

Prior to the issuance of the Series 2020 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consents of the Holders of the Series 2001 A Bonds, Series 2002 A Bonds, Series 2003 A Bonds, Series 2008 A Bonds and Series 2010 A Bonds to the issuance of the Series 2020 A Bonds on a parity with the Series 2001 A Bonds, Series 2002 A Bonds, Series 2003 A Bonds,

Series 2008 A Bonds and Series 2010 A Bonds. The Series 2017 A Bonds, Series 2017 B Bonds, Series 2017 C Bonds, Series 2017 D Bonds and Series 2017 E Bonds do not require written consent. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

I. It is in the best interest of the Issuer that the Series 2020 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letters of Conditions, dated June 5, 2019 and all amendments thereto, if any (collectively, the "Letter of Conditions").

J. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2020 A Bonds, or will have so complied prior to issuance of the Series 2020 A Bonds, including, among other things and without limitation, obtaining a certificate of public convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2020 A Bonds by those who shall be the Registered Owner of the same from time to time, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2020 A Bonds.

Section 1.04. Definitions. In addition to capitalized terms defined elsewhere herein, the following terms shall have the following meanings herein unless the text otherwise expressly requires:

"Act" means Chapter 16, Article 13A of the West Virginia Code of 1931, as amended.

"Bond Legislation" means this Resolution and all resolutions supplemental hereto and amendatory hereof.

"Bond Registrar" means the Issuer, which shall usually so act by its Secretary.

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

"Bonds" means, collectively, the Series 2020 A Bonds and the Prior Bonds.

"Chairman" means the Chairman of the Governing Body.

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

“Consulting Engineer” means The Thrasher Group, Bridgeport, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

“Costs” or “Costs of the Project” means those costs described in Section 1.02 (E) hereof.

“Depository Bank” means First Peoples Bank, Pineville, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

“Facilities” or “waterworks facilities” means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

“FDIC” means the Federal Deposit Insurance Corporation.

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

“Governing Body” means the Public Service Board of the Issuer.

“Government Obligations” means direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America.

“Grants” means, collectively, all grants committed for the Project.

“Herein” or “herein” means in this Bond Legislation.

“Issuer,” “Borrower” or “District” means Hardy County Public Service District, a public service district, a public corporation and a political subdivision of the State of West Virginia, in Hardy County, West Virginia, and includes the Governing Body.

“Letter of Conditions” means, collectively, the Letter of Conditions of the Purchaser dated June 5, 2019 and all amendments thereto, if any.

“Minimum Reserve” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2020 A Bonds in the then current or any succeeding year.

“Net Revenues” means the balance of the Gross Revenues, as defined below, remaining after deduction of Operating Expenses, as defined below.

“Operating Expenses” means the current expenses, paid or accrued, of operation and maintenance of the Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and the System, the accumulation of appropriate reserves for charges

not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed one-sixth of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital; provided, that all monthly amortization payments upon the Bonds and into all funds and accounts have been made to the last monthly payment date prior to the date of such retention.

“Prior Bonds” means, collectively, the Series 2001 A Bonds, Series 2002 A Bonds, Series 2003 A Bonds, Series 2008 A Bonds, Series 2010 A Bonds Series 2017 A Bonds, Series 2017 B Bonds, Series 2017 C Bonds, Series 2017 D Bonds and Series 2017 E Bonds.

“Prior Resolutions” means, collectively, the resolutions of the Issuer, respectively, authorizing the issuance of the Prior Bonds.

“Project” shall have the meaning stated in Section 1.02B above.

“Purchaser” or “Government” means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

“Qualified Investments” means and includes any investment permitted to be made by a municipality, public service district or public corporation of the State pursuant to State Law, specifically including but not limited to Chapter 8, Article 13, Section 22 of the Code of West Virginia and the West Virginia “consolidated fund” managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia.

“Registered Owners,” “Bondholders,” “Holders of the Bonds” or any similar term means any person who shall be the registered owner of the Bonds.

“Resolutions” means, collectively, the Prior Resolutions and the Bond Legislation.

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

“RUS Bonds” means the Series 2001 A Bonds and Series 2008 A Bonds.

“Secretary” means the Secretary of the Governing Body.

“Series 2001 A Bonds” means the Issuer’s Water Revenue Bonds, Series 2001 A (United States Department of Agriculture), dated September 18, 2001, issued in the original aggregate principal amount of \$650,000.

“Series 2002 A Bonds” means the Issuer’s Water Revenue Bonds, Series 2002 A (West Virginia Infrastructure Fund), dated March 19, 2002, issued in the original aggregate principal amount of \$1,215,824.

“Series 2003 A Bonds” means the Issuer’s Water Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated July 30, 2003, issued in the original aggregate principal amount of \$534,200.

“Series 2008 A Bonds” means the Issuer’s Water Revenue Bonds, Series 2008 A (United States Department of Agriculture), dated October 14, 2008, issued in the original aggregate principal amount of \$2,366,000.

“Series 2010 A Bonds” means the Issuer’s Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), dated September 30, 2010, issued in the original aggregate principal amount of \$1,641,250.

“Series 2017 A Bonds” means the Issuer’s Water Refunding Revenue Bonds, Series 2017 A, dated April 19, 2017, issued to Capon Valley Bank in the original aggregate principal amount of \$139,000.

“Series 2017 B Bonds” means the Issuer’s Water Refunding Revenue Bonds, Series 2017 B, dated April 19, 2017, issued to Capon Valley Bank in the original aggregate principal amount of \$26,000.

“Series 2017 C Bonds” means the Issuer’s Water Refunding Revenue Bonds, Series 2017 C, dated April 19, 2017, issued to Capon Valley Bank in the original aggregate principal amount of \$208,000.

“Series 2017 D Bonds” means the Issuer’s Water Refunding Revenue Bonds, Series 2017 D, dated April 19, 2017, issued to The Grant County Bank in the original aggregate principal amount of \$422,900.

“Series 2017 E Bonds” means the Issuer’s Water Refunding Revenue Bonds, Series 2017 E, dated April 19, 2017, issued to The Grant County Bank in the original aggregate principal amount of \$430,400.

“Series 2020 A Bonds” means the Water Revenue Bonds, Series 2020 A (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

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

“System” means the complete public waterworks system of the Issuer, presently existing in its entirety or any integral part thereof, and shall include the Project and any improvements and extensions thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neuter gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairman or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Payment of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of \$3,028,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body.

The project is estimated to cost \$3,028,000 of which approximately \$2,073,000 will be received from the proceeds of the Series 2020 A Bonds, and \$955,000 will be received as a grant from the Purchaser.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of the Bond Legislation, the Series 2020 A Bonds of the Issuer, to be known as “Water Revenue Bonds, Series 2020 A” (United States Department of Agriculture), are hereby authorized to be issued in the aggregate principal amount of \$2,073,000, for the purpose of financing a portion of the cost of the construction and design of the Project.

Section 3.02. Description of Bonds. The Series 2020 A Bonds shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Series 2020 A Bonds shall bear interest from the date of delivery, payable monthly at the rate of 1.625% per annum, and shall be sold for the par value thereof. The said principal and interest shall be paid in the following installments on the following dates: Annual installments of interest only, on February 10, 2021 and February 10, 2022 (24 months after the date of issuance), and commencing March 10, 2022, monthly payments of \$6,116, covering principal and interest, on said 10th day of each month, to and including February 10, 2060 (40 years from the date of the Bond).

the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2020 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bonds or in lieu of and substitution for the Bonds destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2020 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2020 A Bonds shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2020 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on a parity with the Prior Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2020 A Bonds and the Prior Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2020 A Bonds and the Prior Bonds as the same become due.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Series 2020 A Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

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

Any amount advanced or expended by the Government 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 Government 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 Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

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 Borrower, 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 Resolutions 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.

This Bond is issued to (i) pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the public waterworks system of the Issuer (the "Project"); (ii) capitalize interest; and (iii) pay certain costs of issuance hereof and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under

the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution adopted by the Issuer on _____, 2020 (the "Resolution"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

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

(I) WATER REVENUE BONDS, SERIES 2001 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 18, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$650,000 (THE "SERIES 2001 A BONDS");

(II) WATER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 19, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,215,824 (THE "SERIES 2002 A BONDS");

(III) WATER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 30, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$534,200 (THE "SERIES 2003 A BONDS");

(IV) WATER REVENUE BONDS, SERIES 2008 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED OCTOBER 14, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,366,000 (THE "SERIES 2008 A BONDS");

(V) WATER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED SEPTEMBER 30, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,641,250 (THE "SERIES 2010 A BONDS")

(VI) WATER REFUNDING REVENUE BONDS, SERIES 2017 A, DATED APRIL 19, 2017, ISSUED TO CAPON VALLEY BANK IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$139,000 (THE "SERIES 2017 A BONDS");

(VII) WATER REFUNDING REVENUE BONDS, SERIES 2017 B, DATED APRIL 19, 2017, ISSUED TO CAPON VALLEY BANK IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$26,000 (THE "SERIES 2017 B BONDS");

(VIII) WATER REFUNDING REVENUE BONDS, SERIES 2017 C, DATED APRIL 19, 2017, ISSUED TO CAPON VALLEY BANK IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$208,000 (THE "SERIES 2017 C BONDS");

(IX) WATER REFUNDING REVENUE BONDS, SERIES 2017 D, DATED APRIL 19, 2017, ISSUED TO THE GRANT COUNTY BANK IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$422,900 (THE "SERIES 2017 D BONDS"); AND

(X) WATER REFUNDING REVENUE BONDS, SERIES 2017 E, DATED APRIL 19, 2017, ISSUED TO THE GRANT COUNTY BANK IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$430,400 (THE "SERIES 2017 E BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

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

[Remainder of Page Intentionally Blank]

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint
_____, Attorney to transfer the said Bond on the books kept for
registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20____.

In the presence of:

UNITED STATES OF AMERICA
HARDY COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2020 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

SPECIMEN

\$2,073,000

No. AR-1

Date: February 10, 2020

FOR VALUE RECEIVED, HARDY COUNTY PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of TWO MILLION SEVENTY-THREE THOUSAND DOLLARS (\$2,073,000), plus interest on the unpaid principal balance at the rate of 1.625% per annum. The said principal and interest shall be paid in the following installments on the following dates: Annual installments of interest only, on February 10, 2021 and February 10, 2022 (the first 24 months after the date hereof), and thereafter monthly installments of \$6,116, covering principal and interest, beginning March 10, 2022, to and including February 10, 2060 (40 years from the date of this Bond). The final payment shall be on February 10, 2060 equal to the sum of the unpaid principal and interest due on the date thereof, 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 Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

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

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment

to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government 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 Government 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 Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

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 Borrower, 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 Resolutions 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.

This Bond is issued to (i) pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the public waterworks system of the Issuer (the "Project"); (ii) capitalize interest; and (iii) pay certain costs of issuance hereof and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution adopted by the Issuer on February 5, 2020 (the "Resolution"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

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

(I) WATER REVENUE BONDS, SERIES 2001 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 18, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$650,000 (THE "SERIES 2001 A BONDS");

(II) WATER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 19, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,215,824 (THE "SERIES 2002 A BONDS");

(III) WATER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 30, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$534,200 (THE "SERIES 2003 A BONDS");

(IV) WATER REVENUE BONDS, SERIES 2008 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED OCTOBER 14, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,366,000 (THE "SERIES 2008 A BONDS");

(V) WATER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED SEPTEMBER 30, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,641,250 (THE "SERIES 2010 A BONDS")

(VI) WATER REFUNDING REVENUE BONDS, SERIES 2017 A, DATED APRIL 19, 2017, ISSUED TO CAPON VALLEY BANK IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$139,000 (THE "SERIES 2017 A BONDS");

(VII) WATER REFUNDING REVENUE BONDS, SERIES 2017 B, DATED APRIL 19, 2017, ISSUED TO CAPON VALLEY BANK IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$26,000 (THE "SERIES 2017 B BONDS");

(VIII) WATER REFUNDING REVENUE BONDS, SERIES 2017 C, DATED APRIL 19, 2017, ISSUED TO CAPON VALLEY BANK IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$208,000 (THE "SERIES 2017 C BONDS");

(IX) WATER REFUNDING REVENUE BONDS, SERIES 2017 D, DATED APRIL 19, 2017, ISSUED TO THE GRANT COUNTY BANK IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$422,900 (THE "SERIES 2017 D BONDS"); AND

(X) WATER REFUNDING REVENUE BONDS, SERIES 2017 E, DATED APRIL 19, 2017, ISSUED TO THE GRANT COUNTY BANK IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$430,400 (THE "SERIES 2017 E BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, HARDY COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

HARDY COUNTY PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]


Chairman, Public Service Board

ATTEST


Secretary, Public Service Board

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$322,097.51	02/10/2020	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20 ____.

In the presence of:

HARDY COUNTY PUBLIC SERVICE DISTRICT

WATER REVENUE BONDS, SERIES 2020 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$2,073,000

REGISTRATION BOOKS

(No writing on these Books except by the Issuer as Registrar)

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
AR-1	February 10, 2020	United States Department of Agriculture	<i>Cornie E. Sherman</i>

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

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302

Phone: (304) 558-3971

FAX: (304) 558-1280

mbc.wv.gov

Date of Report: 2/10/2020

ISSUE: Hardy County Public Service DistrictWater Revenue Bonds, Series 2020 A (USDA)ADDRESS: PO Box 900, Moorefield, WV 26836COUNTY: HardyPURPOSE OF ISSUE: ☒ New Money
☐ Refunding

Refunding issue(s) dated: _____

ISSUE DATE: 2/10/2020RATE: _____ ADMIN FEE NAISSUE AMOUNT: \$2,073,0001st DEBT SERVICE DUE: NA1st PRINCIPAL DUE: NA1st DEBT SERVICE AMOUNT: NAPAYING AGENT: IssuerBOND COUNSEL: Steptoe & Johnson PLLC

UNDERWRITERS COUNSEL: _____

Contact Name: John Stump, Esquire

Contact Name: _____

Phone: 304.353.8196

Phone: _____

Email: john.stump@steptoe-johnson.com

Email: _____

CLOSING BANK: Pendleton Community Bank

ESCROW TRUSTEE: _____

Contact Name: Melinda Biser

Contact Name: _____

Phone: 304.538.7900

Phone: _____

Email: _____

Email: _____

KNOWLEDGEABLE ISSUER CONTACT:

OTHER: Unites States Department of AgricultureContact Name: Logan MoyersContact Name: Charlotte JohnsonTitle: ManagerTitle: Area SpecialistPhone: 304.530.3048Phone: 304-635-4340Email: lmoyers@hardynet.comEmail: charlotte.johnson@usda.gov

DEPOSITS TO MBC AT CLOSE: _____

Accrued Interest: _____

By: Wire

Capitalized Interest: _____

Check

Reserve Account: _____

In-house Transfer

Other: _____

REFUNDS & TRANSFERS BY MBC AT CLOSE:

To Escrow Trustee: _____

By: Wire

To Issuer: _____

Check

To Cons. Invest Fund: _____

IGT

To Other: _____

ISSUER NUMBERS:

BANK ID NUMBER: _____

CUSIP: _____

ACCOUNT NUMBER: _____

PROGRAM NUMBER: _____

NOTES: Monthly DS payments will be made by the District directly to the NFO. The MBC will only hold the Series2020 A Reserve Account. Payments into the Reserve Account will commence 24 months following closing.

FOR MUNIICPAL BOND COMMISSION USE ONLY:

Documents Required: _____ Transfers Required: _____



Chase Tower, 17th Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.stepToe-johnson.com

Writer's Contact Information

February 10, 2020

Hardy County Public Service District
Water Revenue Bonds, Series 2020 A
(United States Department of Agriculture)

Hardy County Public Service District
Moorefield, West Virginia

United States Department of Agriculture
Elkins, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Hardy County Public Service District in Hardy, West Virginia (the "Issuer"), of its \$2,073,000 Water Revenue Bonds, Series 2020 A (United States Department of Agriculture), dated the date hereof (the "Series 2020 A Bonds"), pursuant to Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), a Bond Resolution duly adopted by the Issuer on February 5, 2020 (the "Bond Legislation"). We have examined the law and such certified copies of proceedings and other papers as we deem necessary to render this opinion.

The Series 2020 A Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); (ii) capitalizing interest; and (iii) paying certain issuance and other costs in connection therewith.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Bond Legislation and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and a political subdivision of the State of West Virginia with full power to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Series 2020 A Bonds, all under the Act and other applicable provisions of law.

2. The Bond Legislation has been duly and effectively adopted and enacted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.

3. Pursuant to the Act, the Bond Legislation creates a valid lien on the funds pledged by the Bond Legislation for the security of the Series 2020 A Bonds, on a parity with the Issuer's: (i) Water Revenue Bonds, Series 2001 A (United States Department of Agriculture), dated September 18, 2001, issued in the original aggregate principal amount of \$650,000 (the "Series 2001 A Bonds"); (ii) Water Revenue Bonds, Series 2002 A (West Virginia Infrastructure Fund), dated March 19, 2002, issued in the original aggregate principal amount of \$1,215,824 (the "Series 2002 A Bonds"); (iii) Water Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated July 30, 2003, issued in the original aggregate principal amount of \$534,200 (the "Series 2003 A Bonds"); (iv) Water Revenue Bonds, Series 2008 A (United States Department of Agriculture), dated October 14, 2008, issued in the original aggregate principal amount of \$2,366,000 (the "Series 2008 A Bonds"); (v) Water Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), dated September 30, 2010, issued in the original aggregate principal amount of \$1,641,250 (the "Series 2010 A Bonds"); (vi) Water Refunding Revenue Bonds, Series 2017 A, dated April 19, 2017, issued to Capon Valley Bank in the original aggregate principal amount of \$139,000 (the "Series 2017 A Bonds"); (vii) Water Refunding Revenue Bonds, Series 2017 B, dated April 19, 2017, issued to Capon Valley Bank in the original aggregate principal amount of \$26,000 (the "Series 2017 B Bonds"); (viii) Water Refunding Revenue Bonds, Series 2017 C, dated April 19, 2017, issued to Capon Valley Bank in the original aggregate principal amount of \$208,000 (the "Series 2017 C Bonds"); (ix) Water Refunding Revenue Bonds, Series 2017 D, dated April 19, 2017, issued to The Grant County Bank in the original aggregate principal amount of \$422,900 (the "Series 2017 D Bonds"); (x) Water Refunding Revenue Bonds, Series 2017 E, dated April 19, 2017, issued to The Grant County Bank in the original aggregate principal amount of \$430,400 (the "Series 2017 E Bonds") (collectively, the "Prior Bonds").

4. The Series 2020 A Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer, payable solely from the sources provided therefor in the Bond Legislation.

5. The Series 2020 A Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Series 2020 A Bonds.

6. The Series 2020 A Bonds are, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State, and interest on the Series 2020 A Bonds is exempt from personal income taxes and corporate net income taxes imposed directly thereon by the State of West Virginia.

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

Very truly yours,



STEPTOE & JOHNSON PLLC

378080.00014



GLOVER LEGAL
P L L C

David C. Glover
214 Saint James Drive
Clarksburg, WV 26301
Phone: (304) 969-9192
Facsimile: (304) 566-7237

February 10, 2020

Hardy County Public Service District
Water Revenue Bonds, Series 2020 A
(United States Department of Agriculture)

Hardy County Public Service District
Moorefield, West Virginia

United States Department of Agriculture
Elkins, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to Hardy County Public Service District, a public service district in Hardy County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a Resolution of the Issuer duly adopted February 5, 2020 (the "Resolution"), other documents and papers relating to the Issuer and the above-captioned Bonds of the Issuer (the "Bonds") and documents and orders of The County Commission of Hardy County relating to the creation of the Issuer and the appointment of members of the Public Service Board of the Issuer. All capitalized terms used in the Resolution and not otherwise defined herein shall have the same meanings as defined in the Resolution when used herein.

I am of the opinion that:

The Issuer is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia.

The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly appointed and elected, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

The Resolution has been duly adopted by the Issuer and is in full force and effect.

The execution and delivery of the Bonds and the consummation of the transactions contemplated by the Bonds and the Resolution, and the carrying out of the terms thereof, do not and will

not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

All permits, licenses, approvals, consents, certificates, orders, exemptions and authorizations necessary for the due creation and valid existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges have been entered and/or received, including, without limitation, all requisite orders, certificates, consents and approvals from The County Commission of Hardy County and the Public Service Commission of West Virginia. The Issuer has duly published a notice of the acquisition and construction of the Project as required under Chapter 16, Article 13A, Section 25 of the West Virginia Code of 1931, as amended, and has duly complied with the provisions thereof.

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

Very truly yours,



David C. Glover

DCG/mg



GLOVER LEGAL
P L L C

~~JAN 7 1 2020~~

David C. Glover
214 Saint James Drive
Clarksburg, WV 26301
Phone: (304) 969-9192
Facsimile: (304) 566-7237

February 10, 2020

Charlotte Johnson, Area Specialist/Community Programs
Rural Development
United States Department of Agriculture
1200 Harrison Ave., Suite 150
Elkins, WV 26241

RE: Hardy County Public Service District
IJDC Project No.: 2014W-1490
Hardy County

Ms. Johnson:

This firm represents Hardy County Public Service District (hereinafter "District") with regard to the above-referenced Project, and provides this final title opinion on behalf of the District to satisfy the requirements of the funding agencies for the Project. As such, please be advised of the following:

1. That we are of the opinion that the District is a duly created and existing public service district possessed with all powers and authority granted to public service districts under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project.
2. That the Public Service Commission of West Virginia granted a Certificate of Convenience and Necessity to the District for the Project per a Commission Order entered on September 30, 2019, in Case No. 19-0661-PWD-CN.
3. That the District has obtained all other necessary permits for the construction of the Project.
4. That we have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and/or rights-of-way, required for the Project as set forth in the plans for the Project prepared by The Thrasher Group, Inc., the consulting engineers for the Project.

5. That we have examined the records on file in the Office of the Clerk of the County Commission of Hardy County, West Virginia, the County in which the Project is to be located and, in our opinion, the District has acquired legal title for one hundred percent (100%) of the necessary easements and/or rights-of-way for the Project sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the facility to be constructed. That all easements and/or rights-of-way which have been acquired to date by the District have been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and the interests of the District.

6. That the District has obtained the fee take/property purchase necessary for the Project. The deed has been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and the interests of the District.

7. That there are no outstanding judgments against the District.

8. That all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been met in the acquisition of real property.

If you should have any questions regarding this matter or any of the information contained in this letter, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in cursive script, reading "David C. Glover".

David C. Glover

cc: Logan Moyers, General Manager
Kylea N. Radcliff, P.E.