

**\$2,252,000**  
**LOGAN COUNTY PUBLIC SERVICE DISTRICT**  
**WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II)**  
**SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE)**

**Closing Date: August 20, 2018**

LOGAN COUNTY PUBLIC SERVICE DISTRICT

2.4

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATER FACILITIES OF LOGAN COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II), SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF LOGAN COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

“Act” means Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended and in effect on the date of adoption of this Resolution.

“Bond Registrar” means the Issuer, which shall so serve by the Secretary of the Issuer.

“Bonds” means, collectively, the Series 2018 A Bonds, the Prior Bonds and any Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution.

“Chairman” means the Chairman of the Governing Body of the Issuer or any temporary Acting Chairman duly elected by the Governing Body.

“Closing Date” means the date upon which there is an exchange of the Series 2018 A Bonds for all or a portion of the proceeds of the Series 2018 A Bonds.

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

“Consulting Engineers” means E.L. Robinson Engineering Company, Charleston, West Virginia, or any engineer or firm of engineers, licensed by the State, which shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

“Costs” or “Costs of the Project” means those costs described in Section 1.03E hereof to be a part of the cost of acquisition and construction of the Project.

“Depository Bank” means the bank or banks designated as such in the Supplemental Resolution and any successors and assigns, which shall be a member of FDIC.

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

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

“Governing Body” or “Board” means the public service board of the Issuer, as is now or may hereafter be constituted.

“Government” means the United States of America, United States Department of Agriculture, Rural Utilities Service, which is expected to be the original purchaser of the Series 2018 A Bonds.

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

“Gross Revenues” means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that “Gross Revenues” does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined) or any Tap Fees, as hereinafter defined.

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

“Issuer” means Logan County Public Service District, a public service district, public corporation and political subdivision of the State in Boone, Logan, Lincoln, Mingo and Wyoming Counties, West Virginia, and includes the Governing Body.

“Letter of Conditions” means, collectively, the Letter of Conditions from the Government dated May 8, 2014, and all amendments thereto.

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

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

“Outstanding” when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond canceled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Section 10.01 hereof; and (iv) for purposes of consents, notices or other action by a specified percentage of Registered Owners, any Bonds registered to the Issuer.

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

“Prior Bonds” means, collectively, the Issuer’s (i) Water Revenue Bonds (Cow Creek Project), Series 1996 B, dated July 31, 1996, issued in the original aggregate principal amount of \$1,780,000; (ii) Water Revenue Bonds (Whitman Creek Project), Series 1997 A, dated February 12, 1997, issued in the original aggregate principal amount of \$1,000,000; (iii) Water Revenue Bonds (Harts Creek Project), Series 1997 B, dated March 25, 1997, issued in the original aggregate principal amount of \$1,075,000; (iv) Water Revenue Bonds (Elk Creek/Spice Creek/Verner Project - West Virginia Infrastructure and Jobs Development Council), Series 1998 A, dated June 10, 1998, issued in the original aggregate principal amount of \$815,000; (v) Water Revenue Bonds (Mill Creek Project - West Virginia Infrastructure and Jobs Development Council), Series 1999 A, dated April 21, 1999, issued in the original aggregate principal amount of \$5,050,000; (vi) Water Revenue Bonds (Crawley Creek/Chief Logan Project - West Virginia Infrastructure and Jobs Development Council), Series 1999 C, dated June 17, 1999, issued in the original aggregate principal amount of \$3,205,000; (vii) Water Revenue Bonds (Enaloc Project - West Virginia Water Development Authority), Series 1999 D, dated December 14, 1999, issued in the original aggregate principal amount of \$330,000; (viii) Water Revenue Bonds, Series 2001

A (West Virginia Water Development Authority), dated September 6, 2001, issued in the original aggregate principal amount of \$3,830,000; (ix) Water Revenue Bonds, Series 2001 B (West Virginia Infrastructure Fund), dated September 6, 2001, issued in the original aggregate principal amount of \$2,670,000; (x) Water Revenue Bonds, Series 2002 A (United States Department of Agriculture), dated January 24, 2002, issued in the original aggregate principal amount of \$1,326,000; (xi) Water Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated October 9, 2002, issued in the original aggregate principal amount of \$1,100,000; (xii) Water Revenue Bonds, Series 2003 B (West Virginia Infrastructure Fund), dated October 29, 2003, issued in the original aggregate principal amount of \$3,600,000; (xiii) Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated April 27, 2005, issued in the original aggregate principal amount of \$923,245; (xiv) Water Revenue Bonds (North Fork Project), Series 2008 A (West Virginia Infrastructure Fund), dated July 16, 2008, issued in the original aggregate principal amount of \$1,700,000; (xv) Water Revenue Bonds (Holden Project), Series 2008 B (West Virginia Infrastructure Fund), dated July 16, 2008, issued in the original aggregate principal amount of \$1,900,000; (xvi) Water Revenue Bonds (Upper Little Harts Creek Project), Series 2010 A (West Virginia Infrastructure Fund), dated March 16, 2010, issued in the original aggregate principal amount of \$800,000; (xvii) Water Revenue Bonds (Marsh Fork Project), Series 2012 A (United States Department of Agriculture), dated December 13, 2012, issued in the original payment amount of \$600,000; (xviii) Water Revenue Bonds (Anchor Road Project), Series 2013 A (West Virginia Infrastructure Fund), dated February 7, 2013, issued in the original aggregate principal amount of \$3,800,000; (xix) Water Revenue Bonds (Big Harts Creek Project Phase I), Series 2014 A (United States Department of Agriculture), dated July 24, 2014, issued in the original aggregate principal amount of \$1,321,000; (xx) Water Revenue Bonds (Big Harts Creek Project Phase I), Series 2014 B (West Virginia Infrastructure Fund), dated July 24, 2014, issued in the original aggregate principal amount of \$3,478,000; (xxi) Water Revenue Bonds (Frances Creek Project), Series 2015 A (United States Department of Agriculture), dated June 5, 2015, issued in the original aggregate principal amount of \$533,000; (xxii) Water Revenue Bonds (Hidden Valley/Airport Road Project), Series 2015 B (West Virginia Infrastructure Fund), dated September 9, 2015, issued in the original aggregate principal amount of \$907,000; and (xxiii) Water Revenue Bonds (Big Harts Creek Project – Phase III, Series 2018 B (United States Department of Agriculture), issued simultaneously herewith in the original aggregate principal amount of \$1,782,000.

“Prior Resolutions” means, collectively, the resolutions of the Issuer authorizing the Prior Bonds adopted on July 30, 1996; February 6, 1997; March 20, 1997; May 28, 1998; April 8, 1999; June 10, 1999; December 14, 1999; August 30, 2001; January 10, 2002; October 8, 2002; October 28, 2003; April 26, 2005; July 15, 2008; March 2, 2010; December 11, 2012; January 22, 2013; July 22, 2014; June 2, 2015 and August 18, 2015.

“Project” means the acquisition and construction of certain extensions, additions, betterments and improvements to the System, a description of which is attached hereto as Exhibit A and incorporated herein by reference.

“PSC” means the Public Service Commission of West Virginia and any successor to the functions thereof.

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

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;
- (f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;
- (g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York; provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements; and provided further, that the owner of such repurchase agreement shall have a prior perfected security interest in the collateral therefor, must have (or its agent must have) possession of such collateral, and such collateral must be free of all claims by third parties;
- (h) The West Virginia “consolidated fund” managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia, 1931, as amended; and

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

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

“Renewal and Replacement Fund” means the Renewal and Replacement Fund established by the Prior Resolutions and continued by Section 5.01 hereof.

“Reserve Accounts” means, collectively, the respective reserve accounts of the Series 2018 A Bonds and the Prior Bonds.

“Reserve Requirements” means, collectively, the respective reserve requirements of the Series 2018 A Bonds and the Prior Bonds.

“Resolution” means this Bond Resolution and all orders and resolutions supplemental hereto or amendatory hereof.

“Revenue Fund” means the Revenue Fund established by the Prior Resolutions and continued by Section 5.01 hereof.

“Secretary” means the Secretary of the Governing Body of the Issuer.

“Series 1996 B Bonds” means the Water Revenue Bonds (Cow Creek Project), Series 1996 B, dated July 31, 1996, issued in the original aggregate principal amount of \$1,780,000.

“Series 1997 A Bonds” means the Water Revenue Bonds (Whitman Creek Project), Series 1997 A, dated February 12, 1997, issued in the original aggregate principal amount of \$1,000,000.

“Series 1997 B Bonds” means the Water Revenue Bonds (Harts Creek Project), Series 1997 B, dated March 25, 1997, issued in the original aggregate principal amount of \$1,075,000.

“Series 1998 A Bonds” means the Water Revenue Bonds (Elk Creek/Spice Creek/Verner Project - West Virginia Infrastructure and Jobs Development Council), Series 1998 A, dated June 10, 1998, issued in the original aggregate principal amount of \$815,000.

“Series 1999 A Bonds” means the Water Revenue Bonds (Mill Creek Project - West Virginia Infrastructure and Jobs Development Council), Series 1999 A, dated April 21, 1999, issued in the original aggregate principal amount of \$5,050,000.

“Series 1999 C Bonds” means the Water Revenue Bonds (Crawley Creek/Chief Logan Project - West Virginia Infrastructure and Jobs Development Council), Series 1999 C, dated June 17, 1999, issued in the original aggregate principal amount of \$3,205,000.

“Series 1999 D Bonds” means the Water Revenue Bonds (Enaloc Project - West Virginia Water Development Authority), Series 1999 D, dated December 14, 1999, issued in the original aggregate principal amount of \$330,000.

“Series 2001 A Bonds” means the Water Revenue Bonds, Series 2001 A (West Virginia Water Development Authority), dated September 6, 2001, issued in the original aggregate principal amount of \$3,830,000.

“Series 2001 B Bonds” means the Water Revenue Bonds, Series 2001 B (West Virginia Infrastructure Fund), dated September 6, 2001, issued in the original aggregate principal amount of \$2,670,000.

“Series 2002 A Bonds” means the Water Revenue Bonds, Series 2002 A (United States Department of Agriculture), dated January 24, 2002, issued in the original aggregate principal amount of \$1,326,000.

“Series 2002 B Bonds” means the Water Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated October 9, 2002, issued in the original aggregate principal amount of \$1,100,000.

“Series 2003 B Bonds” means the Water Revenue Bonds, Series 2003 B (West Virginia Infrastructure Fund), dated October 29, 2003, issued in the original aggregate principal amount of \$3,600,000.

“Series 2005 A Bonds” means the Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated April 27, 2005, issued in the original aggregate principal amount of \$923,245.

“Series 2008 A Bonds” means the Water Revenue Bonds (North Fork Project), Series 2008 A (West Virginia Infrastructure Fund), dated July 16, 2008, issued in the original aggregate principal amount of \$1,700,000.

“Series 2008 B Bonds” means the Water Revenue Bonds (Holden Project), Series 2008 B (West Virginia Infrastructure Fund), dated July 16, 2008, issued in the original aggregate principal amount of \$1,900,000.

“Series 2010 A Bonds” means the Water Revenue Bonds (Upper Little Harts Creek Project), Series 2010 A (West Virginia Infrastructure Fund), dated March 16, 2010, issued in the original aggregate principal amount of \$800,000.

“Series 2012 A Bonds” means the Water Revenue Bonds (Marsh Fork Project), Series 2012 A (United States Department of Agriculture), dated December 13, 2012, issued in the original payment amount of \$600,000.

“Series 2013 A Bonds” means the Water Revenue Bonds (Anchor Road Project) Series 2013 A (West Virginia Infrastructure Fund) dated February 7, 2013 issued in the original aggregate principal amount of \$3,800,000.

“Series 2014 A Bonds” means the Water Revenue Bonds (Big Harts Creek Project Phase I), Series 2014 A (United States Department of Agriculture), dated July 24, 2014, issued in the original aggregate principal amount of \$1,321,000.

“Series 2014 B Bonds” means the Water Revenue Bonds (Big Harts Creek Project Phase I), Series 2014 B (West Virginia Infrastructure Fund), dated July 24, 2014, issued in the original aggregate principal amount of \$3,478,000.

“Series 2015 A Bonds” means the Water Revenue Bonds (Frances Creek Project), Series 2015 A (United States Department of Agriculture), dated June 5, 2015, issued in the original aggregate principal amount of \$533,000.

“Series 2015 B Bonds” means the Water Revenue Bonds (Hidden Valley/Airport Road Project), Series 2015 B (West Virginia Infrastructure Fund), dated September 9, 2015, issued in the original aggregate principal amount of \$907,000.

“Series 2018 A Bonds” means the Water Revenue Bonds (Big Harts Creek Project-Phase II), Series 2018 A (United States Department of Agriculture), of the Issuer, authorized to be issued hereby.

“Series 2018 A Bonds Reserve Account” means the Series 2018 A Bonds Reserve Account established by Section 5.02 hereof.

“Series 2018 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 2018 A Bonds in the then current or any succeeding year.

“Series 2018 A Bonds Sinking Fund” means the Series 2018 A Bonds Sinking Fund established by Section 5.03A(2) hereof.

“Series 2018 B Bonds: means the Water Revenue Bonds (Big Harts Creek Project-Phase III), Series 2018 B (United States Department of Agriculture), issued simultaneously herewith in the original aggregate principal amount of \$1,782,000.

“Series 2018 Bonds Construction Trust Fund” means the Series 2018 Bonds Construction Trust Fund established by Section 5.01 hereof.

“Sinking Funds” means, collectively, the respective sinking funds of the Series 2018 A Bonds and the Prior Bonds.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution of the Issuer supplementing or amending this Resolution and, when preceded by the article “the,” refers specifically to the Supplemental Resolution authorizing the sale of the Series 2018 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2018 A Bonds and not so included may be included in another Supplemental Resolution.

“Surplus Revenues” means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the Series 2018 A Bonds and the Prior Bonds, including the Sinking Funds, the Reserve Accounts, the Renewal and Replacement Fund and the Depreciation Account.

“System” means the complete public service properties of the Issuer for the diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or other uses as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired 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.

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; 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.

Section 1.02. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. It is hereby found, determined and declared as follows:

A. The Issuer is a public service district, public corporation and political subdivision of the State located in Boone, Logan, Lincoln, Mingo and Wyoming Counties of said State. The Issuer presently owns and operates a public water system in Boone, Logan, Lincoln, Mingo and Wyoming Counties. However, the Issuer deems it necessary and desirable for the health, welfare and safety of the inhabitants of the Issuer that there be acquired and constructed

the Project, in accordance with the plans and specifications prepared by the Consulting Engineer, which plans and specifications have been approved by the Government and the Issuer.

B. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its Series 2018 A Bonds to the Government.

C. The estimated maximum cost of acquisition and construction of the Project is \$4,952,000, of which not more than \$2,252,000 will be obtained from the Series 2018 A Bonds; \$1,000,000 will be obtained from a grant from the Government; \$1,500,000 will be obtained from a Small Cities Block Grant; and \$200,000 will be obtained from a contribution from The County Commission of Logan County.

D. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all Operating Expenses of the System, the principal of and interest on the Prior Bonds and the Series 2018 A Bonds and to make payments into all funds and accounts provided for in this Resolution and the Prior Resolutions.

E. It is deemed necessary for the Issuer to issue the Series 2018 A Bonds in the aggregate principal amount of not more than \$2,500,000 to permanently finance a portion of the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of acquisition or construction of any public service properties and any improvements and extensions thereto, the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest on the Series 2018 A Bonds prior to and during acquisition or construction and for six months after completion of acquisition or construction of the Project; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense and such other expenses as may be necessary or incident to the financing herein authorized, the acquisition or construction of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof.

F. The Series 2018 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2018 A Bonds, the Issuer will obtain (1) the certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met; and (2) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2018 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

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

I. It is in the best interests of the Issuer that the Series 2018 A Bonds be sold to the Government pursuant to the terms and provisions of the Letter of Conditions.

J. The Issuer has complied with all requirements of West Virginia law and the Letter of Conditions relating to authorization of the acquisition, construction and operation of the Project and issuance of the Series 2018 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council. On June 27, 2017, the Issuer, following the required notice and public hearing, adopted the Project Resolution required by Section 9 of the Act.

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the Series 2018 A Bonds by those who shall be the Registered Owners of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

## ARTICLE II

### AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF PROJECT

Section 2.01. Authorization of Acquisition and Construction of Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated maximum cost of \$4,952,000, in accordance with the plans and specifications prepared by the Consulting Engineers, approved by the Government and the Issuer and heretofore filed in the office of the Governing Body. The proceeds of the Series 2018 A Bonds shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, or will prior to issuing the Bonds, which are in an amount and otherwise compatible with the financing plan submitted to the Government.

## ARTICLE III

### AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. For the purposes of paying a portion of the costs of the Project, capitalizing interest on the Series 2018 A Bonds and paying the costs of issuance of the Series 2018 A Bonds and related costs, there shall be and hereby are authorized to be issued negotiable Series 2018 A Bonds of the Issuer. The Series 2018 A Bonds shall be issued as a single bond, designated "Water Revenue Bonds (Big Harts Creek Project-Phase II), Series 2018 A (United States Department of Agriculture)," in the aggregate principal amount of not more than \$2,500,000, and shall have such terms as are set forth hereinafter or in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2018 A Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the legal maximum rate,

payable monthly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Series 2018 A Bonds.

The Series 2018 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, shall be payable as provided in the Bond form hereinafter set forth, and shall have such other terms not inconsistent with this Resolution, as shall be set forth in the Supplemental Resolution and such Bond form.

Section 3.03. Execution of Bonds. The Series 2018 A Bonds shall be executed in the name of the Issuer by the manual or facsimile signature of the Chairman, and the seal of the Issuer shall be impressed thereon and attested by the manual or facsimile signature of the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Negotiability, Transfer and Registration. The Series 2018 A Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, but the Bonds, and the right to principal of and stated interest on the Bonds, may only be transferred by transfer of the registration thereof upon the books of the Bond Registrar, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2018 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No registration of transfer of the Series 2018 A Bonds shall be permitted to be made after the 15<sup>th</sup> day next preceding any installment payment date on the Bonds.

The Issuer shall be the Bond Registrar and will keep, or cause to be kept by its agent, at its office, books for the registration and transfer of the Series 2018 A Bonds and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2018 A Bonds for registration or transfer only if ownership thereof is to be registered in the name of the Government, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law. The Series 2018 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2018 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2018 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Registered Owner's furnishing the Issuer proof of ownership and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All Bonds so surrendered shall be canceled and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.06. Bonds not to be Indebtedness of the Issuer. The Series 2018 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System, as herein provided. No Registered Owner of the Series 2018 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2018 A Bonds or the interest thereon.

Section 3.07. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2018 A Bonds shall be secured by a first lien on the Net Revenues on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2018 A Bonds and the Prior Bonds and to make the payments into all funds and accounts provided for in this Resolution and the Prior Resolutions, are hereby irrevocably pledged to such payments as they become due.

Section 3.08. Form of Bonds. The text of the Series 2018 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be

necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of page intentionally left blank]

(FORM OF SERIES 2018 A BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
LOGAN COUNTY PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II), SERIES 2018 A  
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. AR-1

\$ \_\_\_\_\_

FOR VALUE RECEIVED, on this \_\_\_\_ day of \_\_\_\_\_, 2018, LOGAN COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Boone, Logan, Lincoln, Mingo and Wyoming Counties of said State (the "Issuer"), promises to pay to the order of the UNITED STATES OF AMERICA (the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, and in the manner provided below, the principal sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), or such lesser amount as is set forth on the Record of Advances attached hereto and incorporated herein by reference, plus interest on the unpaid principal balance at the rate of \_\_\_\_\_ % per annum.

The principal of and interest on this Bond shall be paid in the following installments on the following dates: Monthly installments of interest only on the amounts advanced hereunder, commencing 30 days following the date of delivery of this Bond and continuing on the corresponding day of each month thereafter for the first 24 months after the date hereof, and thereafter, on the corresponding day of each month in installments of principal and interest in the aggregate amount of \$\_\_\_\_, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof and except that prepayments may be made as provided below. This consideration 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 the Issuer as requested by the Issuer 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 the Issuer. Extra payments, as defined in the regulations of the Government, shall, after payment of interest, be applied to the installment last to come due under this Bond and shall not affect the obligation of the Issuer to pay the remaining installments as scheduled herein.

Any amount advanced or expended by the Government for the collection hereof, or to preserve or to 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 the Issuer to the Government without demand. The Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Government. The Issuer has granted to the Government a lien on the proceeds of this Bond until such proceeds are expended for authorized purposes.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public water facilities of the Issuer (the "Project"); (ii) to capitalize interest on the Series 2018 A Bonds; and (iii) to pay certain costs of issuance of this Bond and related costs. The existing public water facilities of the Issuer, the Project and any further improvements and extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act"), a Bond Resolution duly adopted by the Issuer on \_\_\_\_\_, 2018, and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 2018 (collectively, the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution 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 this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS (COW CREEK PROJECT), SERIES 1996 B, DATED JULY 31, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,780,000; (2) WATER REVENUE BONDS (WHITMAN CREEK PROJECT), SERIES 1997 A, DATED FEBRUARY 12, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000; (3) WATER REVENUE BONDS (HARTS CREEK PROJECT), SERIES 1997 B, DATED MARCH 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,075,000; (4) WATER REVENUE BONDS (ELK CREEK/SPICE CREEK/VERNER PROJECT - WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL), SERIES 1998 A, DATED JUNE 10, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$815,000; (5) WATER REVENUE BONDS (MILL CREEK PROJECT - WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL), SERIES 1999 A, DATED APRIL 21, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,050,000; (6) WATER REVENUE BONDS (CRAWLEY CREEK/CHIEF LOGAN PROJECT - WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL), SERIES 1999 C, DATED JUNE 17, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,205,000; (7) WATER REVENUE BONDS (ENALOC PROJECT - WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), SERIES 1999 D, DATED DECEMBER 14, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$330,000; (8) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT

AUTHORITY), DATED SEPTEMBER 6, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,830,000; (9) WATER REVENUE BONDS, SERIES 2001 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED SEPTEMBER, 6, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,670,000; (10) WATER REVENUE BONDS, SERIES 2002 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JANUARY 24, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,326,000; (11) WATER REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 9, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,100,000; (12) WATER REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 29, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,600,000; (13) WATER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED APRIL 27, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$923,245; (14) WATER REVENUE BONDS (NORTH FORK PROJECT), SERIES 2008 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 16, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,700,000; (15) WATER REVENUE BONDS (HOLDEN PROJECT), SERIES 2008 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 16, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,900,000; (16) WATER REVENUE BONDS (UPPER LITTLE HARTS CREEK PROJECT), SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 16, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$800,000; (17) WATER REVENUE BOND (MARSH FORK PROJECT), SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED DECEMBER 13, 2012, ISSUED IN THE ORIGINAL PAYMENT AMOUNT OF \$600,000; (18) WATER REVENUE BONDS (ANCHOR ROAD PROJECT), SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 7, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,800,000; (19) WATER REVENUE BONDS (BIG HARTS CREEK PROJECT PHASE I), SERIES 2014 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 24, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,321,000; (20) WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE I), SERIES 2014 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 24, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,478,000; (21) WATER REVENUE BONDS (FRANCES CREEK PROJECT), SERIES 2015 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 5, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$533,000; (22) WATER REVENUE BONDS (HIDDEN VALLEY/AIRPORT ROAD PROJECT), SERIES 2015 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED SEPTEMBER 9, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$907,000; AND (23) WATER REVENUE BONDS (BIG HARTS CREEK PROJECT – PHASE III, SERIES 2018 B (UNITED STATES DEPARTMENT OF AGRICULTURE), ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,782,000 (COLLECTIVELY, THE “PRIOR BONDS”).

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2018 A Bonds Reserve Account") and unexpended proceeds of this Bond. 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2018 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on this Bond and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2018 A Bonds Reserve Account, an amount equal to the maximum amount of principal and interest which will become due on this Bond in any year, and in the respective reserve accounts for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements in the Resolution, this Bond is transferable, as provided in the Resolution, only upon the books of the Secretary of the Issuer, as registrar (the "Registrar"), which shall be kept for that purpose at the office of the Registrar, by the Registered Owner or by its attorney or legal representative duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney or legal representative duly authorized in writing.

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

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

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

If at any time it so appears to the Government that the Issuer may be able to obtain a loan from a responsible cooperative or private creditor at reasonable rates and terms for loans for such purposes and period of time, the Issuer will at the Government's request apply for and accept such loan in sufficient amount to repay the Government.

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

This Bond is given as evidence of a loan to the Issuer made or insured by the Government pursuant to the Rural Development Act of 1972. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

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

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, LOGAN COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated as of the date first written above.

\_\_\_\_\_  
Chairman

[SEAL]

ATTEST:

\_\_\_\_\_  
Secretary

(Form of)

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

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

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

Dated: \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

Section 3.09. Sale of Bonds. The Series 2018 A Bonds shall be sold to the Government pursuant to the terms and conditions of the Letter of Conditions. The Letter of Conditions is hereby approved and the provisions of the Letter of Conditions are specifically incorporated in this Resolution.

ARTICLE IV  
[RESERVED]

ARTICLE V  
SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Resolutions);
  - (2) Renewal and Replacement Fund (established by the Prior Resolutions);
- and
- (3) Series 2018 Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special account is created with and shall be held by the Commission:

- (1) Series 2018 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. Funds in the Revenue Fund shall be disposed of only in the following manner and order of priorities and as provided in the Prior Resolutions.

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

(2) The Issuer shall next, each month, from the moneys in the Revenue Fund, simultaneously (i) make the interest payments on the Prior Bonds in the amounts and on the dates required by the Prior Resolutions; and (ii) commencing on the day which is 30 days following the date of delivery of the Series 2018 A Bonds and continuing on the corresponding day of each month, remit to the National Finance Office for deposit in the Series 2018 A Bonds Sinking Fund hereby established at the National Finance Office, the amount of interest set forth in the Series 2018 A Bonds.

(3) The Issuer shall next, each month, from the moneys in the Revenue Fund, (i) make the principal payments of the Prior Bonds in the amounts and on the dates required by the Prior Resolutions; and (ii) commencing on the day which is 24 months following the date of delivery of the Series 2018 A Bonds and continuing on the corresponding day of each month, remit to the National Finance Office for deposit in the Series 2018 A Bonds Sinking Fund, the amount of principal set forth in the Series 2018 A Bonds.

The deposits into the Series 2018 A Bonds Sinking Fund provided in this paragraph and in Section 5.03A (2) above, constitute actual payments of principal of and interest on the Series 2018 A Bonds to the Government.

(4) The Issuer shall next, each month, simultaneously, from the moneys in the Revenue Fund, (i) make the reserve account payments into the Reserve Accounts of the Prior Bonds in the amounts and on the dates required by the Prior Resolutions; and (ii) commencing on the day which is 24 months following the date of delivery of the Series 2018 A Bonds and continuing on the corresponding day of each month, remit to the Commission for deposit in the Series 2018 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2018 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2018 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2018 A Bonds Reserve Requirement.

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

Moneys in the Series 2018 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2018 A Bonds as the same shall become due. Moneys in the Series 2018 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2018 A Bonds as the same shall come due, when moneys in the Series 2018 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2018 A Bonds Reserve Account (if fully funded) shall be transferred, not less than once each year, to the Series 2014 Bonds Construction Trust Fund during construction of the Project and thereafter, to the Revenue Fund

and applied in full, first to the next ensuing interest payment due on the Series 2018 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2018 A Bonds Reserve Account which result in a reduction in the balance therein to an amount below the Series 2018 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2018 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on such Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

Interest, principal, or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2018 A Bonds, the Prior Bonds and any Parity Bonds, in accordance with the respective principal amounts then outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2018 A Bonds Reserve Account created hereunder, and all amounts required for such account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Government, the Issuer shall make the necessary arrangements whereby required payments into the Series 2018 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates hereunder.

Moneys in the Series 2018 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2018 A Bonds Sinking Fund and the Series 2018 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2018 A Bonds under the conditions and restrictions set forth herein.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

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

the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

E. If, on any monthly payment date, the revenues are insufficient to place the required amount in any of the funds and accounts as herein above provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Section 5.03A hereof, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority.

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

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

## ARTICLE VI APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds. All moneys received from time to time from the sale of the Series 2018 A Bonds shall be deposited in the Series 2014 Bonds Construction Trust Fund and shall be used solely to pay costs of the Project and until so expended, are hereby pledged as additional security for the Series 2018 A Bonds.

Section 6.02. Disbursements from Bond Construction Trust Fund. The Series 2014 Bonds Construction Trust Fund shall be kept separate and apart from all other funds of the Issuer, and shall be drawn out, used and applied by the Issuer solely for the payment of the costs of the Project and purposes incidental thereto, including payment of any borrowings by the Issuer made for the purpose of temporarily financing a portion of the costs of the Project and payment of interest on the Series 2018 A Bonds prior to and during construction and for a period up to six months after completion of construction and for no other purposes whatsoever. If approved by the Government, the moneys in said fund shall be secured at all times by Government Obligations having a fair market value at least equal to the balance in said fund in excess of the amount insured by the FDIC. If for any reason the amounts on deposit in the Series 2014 Bonds Construction Trust Fund are not necessary for, or are not applied to, such purposes, then such unapplied amounts shall be deposited by the Issuer as determined by the rules and regulations of the Government. All such proceeds shall constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys, until so applied, in favor of the Registered Owners of the Series 2018 A Bonds.

Expenditures or disbursements from the Series 2014 Bonds Construction Trust Fund shall be made only after such expenditures or disbursements have been approved in writing by the Governing Body, the Consulting Engineers and the Government.

The Issuer shall coordinate with the Government on the monthly payment of the costs of the Project and shall submit invoices and requisitions as directed by the Government.

## ARTICLE VII ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Registered Owner of the Series 2018 A Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Registered Owner of the Series 2018 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as the Series 2018 A Bonds or the interest thereon are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2018 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Registered Owner of the Series 2018 A Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay the Series 2018 A Bonds or the interest thereon. The Issuer has no taxing authority.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2018 A Bonds shall be secured by a first lien on the Net Revenues on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2018 A Bonds and to make the payments into all funds and accounts and all other payments provided for in this Resolution, and the Prior Resolutions are hereby irrevocably pledged, in the manner provided herein and therein, to such payments as the same become due, and for the other purposes provided in this Resolution and the Prior Resolutions.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by state law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of this Resolution and the Prior Resolutions. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved by The County Commission of Logan County on August 21, 2017.

So long as the Series 2018 A Bonds are Outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all

such actions necessary to provide funds sufficient to produce the required sums set forth in this Resolution. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2018 A Bonds shall prove to be insufficient to produce the required sums set forth in this Resolution, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Resolution.

Section 7.05. Sale of the System. So long as the Prior Bonds are Outstanding, the System may not be sold, transferred, mortgaged, leased or otherwise disposed of, except in accordance with the terms of the Prior Resolutions. So long as the Series 2018 A Bonds are Outstanding, the System may be sold, transferred, mortgaged, leased or otherwise disposed of, or encumbered (other than any statutory mortgage lien created under the Act on account of obligations issued within the restrictions hereof) only with the written consent of the Government and such consent will specify the disposition of any such sale or transfer.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. So long as the Series 2018 A Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2018 A Bonds; provided, however, that Parity Bonds may be issued as provided for in Section 7.07 hereof and in the Prior Resolutions (so long as the Prior Bonds are Outstanding). All obligations hereafter issued by the Issuer payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2018 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein and in the Prior Resolutions have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the liens of the Series 2018 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2018 A Bonds and the interest thereon in this Resolution, or upon the System or any part thereof.

Section 7.07. Parity Bonds. So long as the Prior Bonds are Outstanding, no Parity Bonds shall be issued except in accordance with the terms of the Prior Resolutions, respectively. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Resolution, except under the conditions and in the manner provided herein and with the prior written consent of the Government.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Prior Bonds, the Series 2018 A Bonds.

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

So long as the Series 2018 A Bonds are Outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

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

The foregoing limitation may be waived or modified by the written consent of the Registered Owners of the Series 2018 A Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 2018 A Bonds are no longer Outstanding, the following parity requirement shall be met:

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

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

The “estimated average increased annual Net Revenues to be received in each of the three succeeding years,” as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the

Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

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

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Registered Owners of the Series 2018 A Bonds and the Registered Owners of any Parity Bonds issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2018 A Bonds.

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

**Section 7.08. Books; Records and Audit.** The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Government and its 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. The Issuer shall submit to the Government such documents and information as it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any State and federal grants or other sources of financing for the Project.

The Issuer shall permit the Government and its agents and representatives to inspect all records 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.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Registered Owner of the Series 2018 A Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles in accordance with the rules and regulations of the PSC and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body.

The Issuer shall file with the Government or any Registered Owner of the Series 2018 A Bonds requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with 2 CFR 200 Subpart F, or any successor thereto) and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Registered Owner of the Series 2018 A Bonds and shall submit said report to the Government. Such audit report submitted to the Government shall include a statement that the Issuer is in compliance with the terms and provisions of the Act and this Resolution and that the Gross Revenues are adequate to meet the Operating Expenses and debt service and reserve requirements and meet the coverage requirement.

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

Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

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

Section 7.09. Rates. Prior to issuance of the Series 2018 A Bonds, approvals of equitable rates or charges for the use of and service rendered by the System shall have been obtained in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reductions in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2018 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 A Bonds, including the Prior Bonds; provided, that in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Series 2018 A Bonds Reserve Account, and the Reserve Accounts for obligations on a parity with the Series 2018 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2018 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services of the System described in Section 7.04.

Section 7.10. Operating Budget. The Issuer shall annually, at least 30 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Government within 30 days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of

the amount of such budget shall be made, except upon the further certificate of a professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Government and to any Registered Owner of the Series 2018 A Bonds within 30 days of adoption thereof and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Government and any Registered Owner of the Series 2018 A Bonds or anyone acting for and on behalf of such Registered Owner.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain the certificate of the Consulting Engineers, certifying that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Government, the Project will be adequate for the purposes for which it was designed, the funding plan as submitted to the Government is sufficient to pay the costs of the acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained. The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Government, 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. The Issuer shall employ qualified operating personnel properly certified by the State to operate the System so long as the Series 2018 A Bonds are Outstanding.

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

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

Whenever any fees, rates, rentals or other charges for the services or facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the PSC, fees, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that it will, to the full extent permitted by law and the rules and regulations of the PSC, discontinue and shut off the services of the System to all delinquent users of the services of the System, and will not restore such services of the System until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid, and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

Section 7.15. Insurance and Construction Bonds. The Issuer hereby covenants and agrees that, so long as the Series 2018 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(A) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured prior to acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground insurable portions of the System, including machinery and equipment housed therein, in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer on all structures and mechanical and electrical equipment in place or stored on the site during construction of the Project in the full insurable value thereof.

(B) Public Liability Insurance, with limits of not less than \$1,000,000 for personal liability to protect the Issuer from claims for bodily injury and/or death and not less than \$500,000 from claims for damage to property of others which may arise from the operation of the System.

(C) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated for the benefit of the Issuer, with limits of not less than \$1,000,000 for personal liability to protect the Issuer from claims for bodily injury and/or death and not less than \$500,000 from claims for damage to property of others which may arise from such operation of vehicles.

(D) Workers' Compensation Coverage for All Employees of the System Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each contractor dealing directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the

Project in compliance with Chapter 38, Article 2, Section 39 of the Code of West Virginia, 1931, as amended.

(E) Fidelity Bonds will be provided as to every member, officer and employee of the Issuer having custody of the Revenue Fund or of any other funds or property of the System in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount required by the Government and to be increased thereafter as necessary to cover the maximum amount of funds under control of that position at any one time.

(F) Flood Insurance will be obtained by the Issuer if available; however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

(G) Construction Bonds. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction. The Issuer shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project. The Issuer shall verify such insurance prior to commencement of construction.

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the PSC, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

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

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals required by State law and other state agencies necessary for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2018 A Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Statutory Mortgage Lien. For the further protection of the Registered Owners of the Series 2018 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, and shall take effect immediately upon delivery of the Series 2018 A Bonds; provided however, that the statutory mortgage lien in favor of the Registered Owners of the Series 2018 A Bonds shall be on a parity with the statutory mortgage lien in favor of the Registered Owners of the Prior Bonds.

Section 7.19. Compliance with Letter of Conditions and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Letter of Conditions, this Resolution and the Act. The Issuer shall also comply with all applicable laws, rules and regulations issued by the Government or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.20. Contracts. The Issuer shall, simultaneously with the delivery of the Series 2018 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

Section 7.21. User Agreements. The Issuer shall, prior to delivery of the Series 2018 A Bonds, provide evidence that there will be at least 11,904 bona fide users upon the System on completion of the Project, in full compliance with the requirements and conditions of the Government.

## ARTICLE VIII INVESTMENT OF FUNDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the owner, including the value of accrued interest and giving effect to the amortization of discount or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this Section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2018 A Bonds are Outstanding.

Notwithstanding the foregoing, any investments made pursuant to this Resolution shall comply with the guidelines of the Government.

## ARTICLE IX DEFAULTS AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an “Event of Default” with respect to the Series 2018 A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2018 A Bonds; or

(B) If default occurs in the Issuer’s observance of any of the covenants, agreements or conditions on its part relating to the Series 2018 A Bonds set forth in this Resolution, any Supplemental Resolution or the Series 2018 A Bonds and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Government, the Depository Bank, the Bond Registrar, the Paying Agent or the Registered Owner; or

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

(D) If a default occurs under the Prior Resolutions.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of the Series 2018 A Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2018 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2018 A Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the resolution with respect to the Series 2018 A Bonds, or the rights of such Registered Owners; provided however, that all rights and remedies of the Registered Owners of the Series 2018 A Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of the Series 2018 A Bonds may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the completion of the Project, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default, with respect to the Bonds, the Registered Owner shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the

System or to complete the acquisition and construction of the Project, or both, on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and any interest thereon and the deposits into the funds and accounts herein provided and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Resolution and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of Bonds issued pursuant to this Resolution. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and Registered Owners, and the curing and making good of any default under the provisions of this Resolution, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage, or otherwise dispose of any assets of the System.

## ARTICLE X PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2018 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then this Resolution and the pledge of Net Revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2018 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through direct payment of the entire outstanding principal of and all accrued interest on the Series 2018 A Bonds to the Registered Owners thereof, the Issuer may not defease the Series 2018 A Bonds or provide for payment thereof by escrow or other similar arrangements.

## ARTICLE XI MISCELLANEOUS

Section 11.01. Modification or Amendment of Resolution. Prior to the issuance of the Series 2018 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2018 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto that would materially and adversely affect the rights of Registered Owners of the Series 2018 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2018 A Bonds then Outstanding; provided, that no change shall be made in the maturity of the Series 2018 A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2018 A Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Resolution Constitutes Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the Registered Owners of the Series 2018 A Bonds and no change, variation or alteration of any kind of the provisions of the Resolution shall be made in any manner, except as in this Resolution provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Resolution, any Supplemental Resolution or the Series 2018 A Bonds.

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

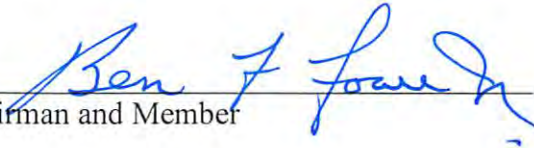
Section 11.05. Conflicting Provisions Repealed; Prior Resolutions. Except for the Prior Resolutions, all orders or resolutions and parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; provided, that in the event of any conflict between the Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

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

[Remainder of page intentionally left blank]

Section 11.07. Effective Date. This Resolution shall take effect immediately upon its adoption.

Adopted this 16<sup>th</sup> day of August, 2018.

  
Chairman and Member

  
Member

  
Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of  
LOGAN COUNTY PUBLIC SERVICE DISTRICT on the 16<sup>th</sup> day of August, 2018.

Dated this 20<sup>th</sup> day of August, 2018.

[SEAL]



Secretary

## EXHIBIT A

### PROJECT DESCRIPTION

The Project consists of the construction and acquisition of a waterline extension to serve approximately 208 potential customers in the Big Harts Creek, Smokehouse Fork, White Oak Branch and surrounding areas of Logan County, and consists of the construction of approximately 54,350 linear feet of 8-inch and smaller diameter water main, one 150 gallons per minute booster station, one 151,000 gallons storage tank, 26 fire hydrants, valves, individual customer services, and other related appurtenances.

**LOGAN COUNTY PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II)  
SERIES 2018 A  
(UNITED STATES DEPARTMENT OF AGRICULTURE)**

2.6

**BOND RESOLUTION**

**Table of Contents**

**Page**

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

|                                               |    |
|-----------------------------------------------|----|
| Section 1.01. Definitions                     | 1  |
| Section 1.02. Authority for this Resolution   | 9  |
| Section 1.03. Findings                        | 9  |
| Section 1.04. Resolution Constitutes Contract | 10 |

**ARTICLE II  
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF PROJECT**

|                                                                        |    |
|------------------------------------------------------------------------|----|
| Section 2.01. Authorization of Acquisition and Construction of Project | 12 |
|------------------------------------------------------------------------|----|

**ARTICLE III  
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION  
AND SALE OF BONDS**

|                                                                                                     |    |
|-----------------------------------------------------------------------------------------------------|----|
| Section 3.01. Authorization of Bonds                                                                | 13 |
| Section 3.02. Terms of Bonds                                                                        | 13 |
| Section 3.03. Execution of Bonds                                                                    | 13 |
| Section 3.04. Negotiability, Transfer and Registration                                              | 13 |
| Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost                                            | 14 |
| Section 3.06. Bonds not to be Indebtedness of the Issuer                                            | 14 |
| Section 3.07. Bonds Secured by Pledge of Net Revenues;<br>Lien Position with respect to Prior Bonds | 15 |
| Section 3.08. Form of Bonds                                                                         | 15 |
| FORM OF SERIES 2018 A BOND                                                                          | 16 |
| Section 3.09. Sale of Bonds                                                                         | 24 |

**ARTICLE IV  
RESERVED**

**ARTICLE V  
SYSTEM REVENUES AND APPLICATION THEREOF**

|                                                                        |    |
|------------------------------------------------------------------------|----|
| Section 5.01. Establishment of Funds and Accounts with Depository Bank | 26 |
|------------------------------------------------------------------------|----|

|                                                                   |    |
|-------------------------------------------------------------------|----|
| Section 5.02. Establishment of Funds and Accounts with Commission | 26 |
| Section 5.03. System Revenues; Flow of Funds                      | 26 |

## ARTICLE VI APPLICATION OF BOND PROCEEDS

|                                                               |    |
|---------------------------------------------------------------|----|
| Section 6.01. Application of Bond Proceeds                    | 30 |
| Section 6.02. Disbursements from Bond Construction Trust Fund | 30 |

## ARTICLE VII ADDITIONAL COVENANTS OF THE ISSUER

|                                                                                                                  |    |
|------------------------------------------------------------------------------------------------------------------|----|
| Section 7.01. General Covenants of the Issuer                                                                    | 31 |
| Section 7.02. Bonds not to be Indebtedness of the Issuer                                                         | 31 |
| Section 7.03. Bonds Secured by Pledge of Net Revenues;<br>Lien Position with respect to Prior Bonds              | 31 |
| Section 7.04. Initial Schedule of Rates and Charges                                                              | 31 |
| Section 7.05. Sale of the System                                                                                 | 32 |
| Section 7.06. Issuance of Other Obligations Payable Out of<br>Revenues and General Covenant Against Encumbrances | 32 |
| Section 7.07. Parity Bonds                                                                                       | 32 |
| Section 7.08. Books; Records and Audit                                                                           | 34 |
| Section 7.09. Rates                                                                                              | 36 |
| Section 7.10. Operating Budget                                                                                   | 36 |
| Section 7.11. Engineering Services and Operating Personnel                                                       | 37 |
| Section 7.12. No Competing Franchise                                                                             | 37 |
| Section 7.13. Enforcement of Collections                                                                         | 37 |
| Section 7.14. No Free Services                                                                                   | 37 |
| Section 7.15. Insurance and Construction Bonds                                                                   | 38 |
| Section 7.16. Connections                                                                                        | 39 |
| Section 7.17. Completion and Operation of Project; Permits and Orders                                            | 39 |
| Section 7.18. Statutory Mortgage Lien                                                                            | 39 |
| Section 7.19. Compliance with Letter of Conditions and Law                                                       | 39 |
| Section 7.20. Contracts                                                                                          | 39 |
| Section 7.21. User Agreements                                                                                    | 35 |

## ARTICLE VIII INVESTMENT OF FUNDS

|                                   |    |
|-----------------------------------|----|
| Section 8.01. Investment of Funds | 40 |
|-----------------------------------|----|

## ARTICLE IX DEFAULTS AND REMEDIES

|                                 |    |
|---------------------------------|----|
| Section 9.01. Events of Default | 41 |
|---------------------------------|----|

|                                       |    |
|---------------------------------------|----|
| Section 9.02. Remedies                | 41 |
| Section 9.03. Appointment of Receiver | 41 |

## ARTICLE X PAYMENT OF BONDS

|                                 |    |
|---------------------------------|----|
| Section 10.01. Payment of Bonds | 43 |
|---------------------------------|----|

## ARTICLE XI MISCELLANEOUS

|                                                                   |    |
|-------------------------------------------------------------------|----|
| Section 11.01. Modification or Amendment of Resolution            | 44 |
| Section 11.02. Resolution Constitutes Contract                    | 44 |
| Section 11.03. Severability of Invalid Provisions                 | 44 |
| Section 11.04. Headings, Etc.                                     | 44 |
| Section 11.05. Conflicting Provisions Repealed; Prior Resolutions | 44 |
| Section 11.06. Covenant of Due Procedure                          | 44 |
| Section 11.07. Effective Date                                     | 39 |

|                                 |    |
|---------------------------------|----|
| EXHIBIT A - PROJECT DESCRIPTION | 41 |
|---------------------------------|----|

LOGAN COUNTY PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II)  
SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

2.5

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE LOGAN COUNTY PUBLIC SERVICE DISTRICT WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II), SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DESIGNATING A DEPOSITORY BANK AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the “Governing Body”) of Logan County Public Service District (the “Issuer”) has duly and officially adopted a Bond Resolution on August 16, 2018 (the “Resolution”), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATER FACILITIES OF LOGAN COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II), SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance of the Water Revenue Bonds (Big Harts Creek Project-Phase II), Series 2018 A (United States Department of Agriculture), of the Issuer, in the aggregate principal amount not to exceed \$2,500,000 (the “Bonds” or the “Series 2018 A Bonds”), all in accordance with Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the “Act”), and in the Resolution it is provided that

the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds should be established by a supplemental resolution, and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Bonds are proposed to be purchased by the Government pursuant to the Letter of Conditions; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF LOGAN COUNTY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds (Big Harts Creek Project-Phase II), Series 2018 A (United States Department of Agriculture), of the Issuer, in the original aggregate principal amount of \$2,252,000. The Series 2018 A Bonds shall be issued in the form of one Bond, shall be dated the date of delivery, shall mature forty years from the date thereof, shall be numbered AR-1, and the principal amount advanced under the Series 2018 A Bonds shall bear interest at the rate of 3.125% per annum. Monthly installments of interest only on the amounts advanced under the Series 2018 A Bonds are payable 30 days following the date of delivery of the Series 2018 A Bonds and on the corresponding day of each month thereafter for the first 24 months after the date of delivery of the Series 2018 A Bonds, and thereafter, monthly installments of principal of and interest on the Series 2018 A Bonds, in the aggregate amount of \$8,445.00, are payable on the corresponding day of each month, except that the final installment on the Series 2018 A Bonds shall be paid at the end of 38 years from the date of the Series 2018 A Bonds in the sum of the unpaid principal and interest due on the date thereof. The Series 2018 A Bonds are subject to prepayment as set forth in the Resolution and the Series 2018 A Bonds. All principal and interest payments on the Series 2018 A Bonds will be paid by the Issuer directly to the order of the United States of America at its National Finance Office, St. Louis, Missouri 63103.

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

Section 3. The Issuer hereby approves and accepts the Letter of Conditions and all amendments thereto, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer hereby appoints and designates Logan Bank & Trust, Logan, West Virginia, to serve as the Depository Bank under the Resolution.

Section 5. The proceeds of the Bonds, as advanced from time to time, shall be deposited in the Series 2018 Bonds Construction Trust Fund for payment of the costs of the Project and the costs of issuance of the Bonds and related costs.

Section 6. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Bonds may be delivered to the Government pursuant to the Letter of Conditions on or about August 20, 2018.

Section 7. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 8. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2018 A Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 9. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 10. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the Chairman is hereby authorized and directed to execute and deliver all such contracts.

Section 11. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of page intentionally left blank]

Adopted this 16<sup>th</sup> day of August, 2018.

  
Chairman and Member

  
Member

  
Member

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of LOGAN COUNTY PUBLIC SERVICE DISTRICT on the 16<sup>th</sup> day of August, 2018.

Dated this 20<sup>th</sup> day of August, 2018.

[SEAL]



Secretary

NUMBER  
AR-1  
**SPECIMEN**



UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
LOGAN COUNTY PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II)  
SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

No. AR-1

\$2,252,000

FOR VALUE RECEIVED, on this 20<sup>th</sup> day of August, 2018, LOGAN COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Boone, Logan, Lincoln, Mingo and Wyoming Counties of said State (the "Issuer"), promises to pay to the order of the UNITED STATES OF AMERICA (the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, and in the manner provided below, the principal sum of TWO MILLION TWO HUNDRED FIFTY TWO THOUSAND DOLLARS (\$2,252,000), or such lesser amount as is set forth on the Record of Advances attached hereto and incorporated herein by reference, plus interest on the unpaid principal balance at the rate of 3.125% per annum.

The principal of and interest on this Bond shall be paid in the following installments on the following dates: Monthly installments of interest only on the amounts advanced hereunder, commencing 30 days following the date of delivery of this Bond and continuing on the corresponding day of each month thereafter for the first 24 months after the date hereof, and thereafter, on the corresponding day of each month in installments of principal and interest in the aggregate amount of \$8,445.00, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof and except that prepayments may be made as provided below. This consideration 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 the Issuer as requested by the Issuer 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.

NUMBER  
**SPECIMEN**  
AR-1

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer. Extra payments, as defined in the regulations of the Government, shall, after payment of interest, be applied to the installment last to come due under this Bond and shall not affect the obligation of the Issuer to pay the remaining installments as scheduled herein.

Any amount advanced or expended by the Government for the collection hereof, or to preserve or to 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 the Issuer to the Government without demand. The Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Government. The Issuer has granted to the Government a lien on the proceeds of this Bond until such proceeds are expended for authorized purposes.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public water facilities of the Issuer (the "Project"); (ii) to capitalize interest on the Series 2018 A Bonds; and (iii) to pay certain costs of issuance of this Bond and related costs. The existing public water facilities of the Issuer, the Project and any further improvements and extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act"), a Bond Resolution duly adopted by the Issuer on August 16, 2018, and a Supplemental Resolution duly adopted by the Issuer on August 16, 2018 (collectively, the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution 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 this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS (COW CREEK PROJECT), SERIES 1996 B, DATED JULY 31, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,780,000; (2) WATER REVENUE BONDS (WHITMAN CREEK PROJECT), SERIES 1997 A, DATED FEBRUARY 12, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000; (3) WATER REVENUE BONDS (HARTS CREEK PROJECT), SERIES 1997 B, DATED MARCH 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,075,000; (4) WATER REVENUE BONDS (ELK CREEK/SPICE CREEK/VERNER PROJECT - WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL), SERIES 1998 A, DATED JUNE 10, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$815,000; (5) WATER REVENUE BONDS (MILL CREEK PROJECT - WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL), SERIES 1999 A, DATED APRIL 21, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,050,000; (6) WATER REVENUE BONDS (CRAWLEY CREEK/CHIEF LOGAN PROJECT - WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL), SERIES 1999 C, DATED

AR-1  
**SPECIMEN**

JUNE 17, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,205,000; (7) WATER REVENUE BONDS (ENALOC PROJECT - WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), SERIES 1999 D, DATED DECEMBER 14, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$330,000; (8) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED SEPTEMBER 6, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,830,000; (9) WATER REVENUE BONDS, SERIES 2001 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED SEPTEMBER, 6, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,670,000; (10) WATER REVENUE BONDS, SERIES 2002 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JANUARY 24, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,326,000; (11) WATER REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 9, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,100,000; (12) WATER REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 29, 2003 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,600,000; (13) WATER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED APRIL 27, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$923,245; (14) WATER REVENUE BONDS (NORTH FORK PROJECT), SERIES 2008 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 16, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,700,000; (15) WATER REVENUE BONDS (HOLDEN PROJECT), SERIES 2008 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 16, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,900,000; (16) WATER REVENUE BONDS (UPPER LITTLE HARTS CREEK PROJECT), SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 16, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$800,000; (17) WATER REVENUE BOND (MARSH FORK PROJECT), SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED DECEMBER 13, 2012, ISSUED IN THE ORIGINAL PAYMENT AMOUNT OF \$600,000; (18) WATER REVENUE BONDS (ANCHOR ROAD PROJECT), SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 7, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,800,000; (19) WATER REVENUE BONDS (BIG HARTS CREEK PROJECT PHASE I), SERIES 2014 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 24, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,321,000; (20) WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE I), SERIES 2014 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 24, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,478,000; (21) WATER REVENUE BONDS (FRANCES CREEK PROJECT), SERIES 2015 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 5, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$533,000; (22) WATER REVENUE BONDS (HIDDEN VALLEY/AIRPORT ROAD PROJECT), SERIES 2015 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED SEPTEMBER 9, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$907,000; AND (23) WATER REVENUE BONDS (BIG HARTS CREEK PROJECT - PHASE III), SERIES 2018 B (UNITED STATES

AR-1  
**SPECIMEN**

DEPARTMENT OF AGRICULTURE), ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,782,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2018 A Bonds Reserve Account") and unexpended proceeds of this Bond. 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2018 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on this Bond and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2018 A Bonds Reserve Account, an amount equal to the maximum amount of principal and interest which will become due on this Bond in any year, and in the respective reserve accounts for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements in the Resolution, this Bond is transferable, as provided in the Resolution, only upon the books of the Secretary of the Issuer, as registrar (the "Registrar"), which shall be kept for that purpose at the office of the Registrar, by the Registered Owner or by its attorney or legal representative duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney or legal representative duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Resolution, shall be applied solely to payment of the costs of acquisition and construction of the

**SPECIMEN**

Project and the costs of issuance hereof as described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

If at any time it so appears to the Government that the Issuer may be able to obtain a loan from a responsible cooperative or private creditor at reasonable rates and terms for loans for such purposes and period of time, the Issuer will at the Government's request apply for and accept such loan in sufficient amount to repay the Government.

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

This Bond is given as evidence of a loan to the Issuer made or insured by the Government pursuant to the Rural Development Act of 1972. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

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

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

[Remainder of page intentionally left blank]

AR-1

IN WITNESS WHEREOF, LOGAN COUNTY PUBLIC SERVICE DISTRICT  
has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed  
and attested by its Secretary, and has caused this Bond to be dated as of the date first written  
above.

**SPECIMEN**  
*Ben F. Fouse*  
Chairman

[SEAL]

ATTEST:

**SPECIMEN**  
*Dee Stone*  
Secretary

AR-1

**SPECIMEN**  
RECORD OF ADVANCES

| <u>AMOUNT</u>   | <u>DATE</u> | <u>AMOUNT</u> | <u>DATE</u> |
|-----------------|-------------|---------------|-------------|
| (1) \$61,351.70 | 8/20/2018   | (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

AR-1

**SPECIMEN**  
(Form of)

ASSIGNMENT

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

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

Dated: \_\_\_\_\_, \_\_\_\_.

In the presence of:

\_\_\_\_\_

BOND REGISTER

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
LOGAN COUNTY PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II)  
SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

| <u>Bond Number</u> | <u>Principal Amount</u> | <u>Date of Bond</u> |
|--------------------|-------------------------|---------------------|
| No. AR-1           | \$2,252,000             | August 20, 2018     |

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

United States of America  
National Finance Office  
St. Louis, Missouri 63103

Signature of Registrar:



\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



**WEST VIRGINIA**  
**Water Development Authority**

*Celebrating 44 Years of Service 1974 - 2018*

LOGAN COUNTY PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II)  
SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

CONSENT TO ISSUANCE OF PARITY BONDS

In reliance upon a certificate of Griffith & Associates, PLLC, an independent certified public accountant, and the opinion of Jackson Kelly PLLC, bond counsel, stating that the coverage and parity requirements have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority, the registered owner of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Water Revenue Bonds (Big Harts Creek Project-Phase II), Series 2018 A (United States Department of Agriculture), in the original aggregate principal amount of \$2,252,000, (the "Bonds"), by Logan County Public Service District (the "Issuer"), under the terms of the resolution authorizing the Bonds, on a parity as to liens, pledge and source of and security for payment with the Issuer's (i) Water Revenue Bonds (Cow Creek Project), Series 1996 B; (ii) Water Revenue Bonds (Whitman Creek Project), Series 1997 A; (iii) Water Revenue Bonds (Harts Creek Project), Series 1997 B; (iv) Water Revenue Bonds (Elk Creek/Spice Creek/Verner Project - West Virginia Infrastructure and Jobs Development Council), Series 1998 A; (v) Water Revenue Bonds (Mill Creek Project - West Virginia Infrastructure and Jobs Development Council), Series 1999 A; (vi) Water Revenue Bonds (Crawley Creek/Chief Logan Project - West Virginia Infrastructure and Jobs Development Council), Series 1999 C; (vii) Water Revenue Bonds (Enaloc Project-West Virginia Water Development Authority), Series 1999 D; (viii) Water Revenue Bonds, Series 2001 A (West Virginia Water Development Authority); (ix) Water Revenue Bonds, Series 2001 B (West Virginia Infrastructure Fund); (x) Water Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund); (xi) Water Revenue Bonds, Series 2003 B (West Virginia Infrastructure Fund); (xii) Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund); (xiii) Water Revenue Bonds (North Fork Project), Series 2008 A (West Virginia Infrastructure Fund); (xiv) Water Revenue Bonds (Holden Project), Series 2008 B (West Virginia Infrastructure Fund); (xv) Water Revenue Bonds (Upper Little Harts Creek Project), Series 2010 A (West Virginia Infrastructure Fund); (xvi) Water Revenue Bonds (Anchor Road Project), Series 2013 A (West Virginia Infrastructure Fund); (xvii) Water Revenue Bonds, (Big Harts Creek Project - Phase I), Series 2014 B (West Virginia Infrastructure Fund); and (xviii) Water Revenue Bonds (Hidden Valley/Airport Road Project), Series 2015 B (West Virginia Infrastructure Fund), dated September 9, 2015, issued in the original aggregate principal amount of \$907,000 (collectively, the "Prior Bonds").

WITNESS my signature on this 20<sup>th</sup> day of August, 2018.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

  
\_\_\_\_\_  
Authorized Representative



**Rural Development**

West Virginia State  
Office

1550 Earl Core Road,  
Suite 101  
Morgantown, WV  
26505

Voice 304.284.4860  
1.800.295.8228

TO: Mikele Moore, Paralegal  
Jackson Kelly PLLC  
500 Lee Street East, Suite 1600  
Charleston, WV 25301-3202

DATE: August 20, 2018

SUBJECT: Logan County PSD- Big Harts Project Phase II- Parity Bonds

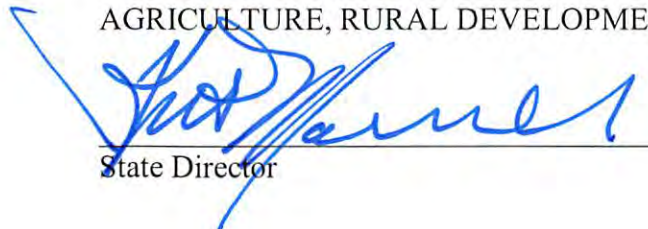
LOGAN COUNTY PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II)  
SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

CONSENT TO ISSUANCE OF PARITY BONDS

The undersigned duly authorized representative of the United States of America, acting through the United States Department of Agriculture, Rural Development, Rural Utilities Service, the registered owner of the Prior Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Water Revenue Bonds (Big Harts Creek Project-Phase II), Series 2018 A (United States Department of Agriculture) (the "Series 2018 A Bonds"), in the original principal amount of \$2,252,000, by Logan County Public Service District (the "Issuer"), under the terms of the resolution authorizing the Series 2018 A Bonds (the "Resolution"), on a parity with respect to liens, pledge and source of and security for payment with the Issuer's (i) Water Revenue Bonds, Series 2002 A (United States Department of Agriculture), dated January 24, 2002, issued in the original aggregate principal amount of \$1,326,000; (ii) Water Revenue Bonds (Marsh Fork Project), Series 2012 A (United States Department of Agriculture), dated December 13, 2012, issued in the original aggregate principal amount of \$600,000; (iii) Water Revenue Bonds (Big Harts Creek Project Phase I), Series 2014 A (United States Department of Agriculture), dated July 24, 2014, issued in the original aggregate principal amount of \$1,321,000; (iv) Water Revenue Bonds (Frances Creek Project), Series 2015 A (United States Department of Agriculture), dated June 5, 2015, issued in the original aggregate principal amount of \$533,000; (v) Water Revenue Bonds (Big Harts Creek Project – Phase III), Series 2018 B (United States Department of Agriculture), issued simultaneously herewith in the original aggregate principal amount of \$1,782,000 (collectively, the "Prior Bonds"); (vi) waives any requirements imposed by the Prior Bonds or the resolutions authorizing the Prior Bonds (collectively, the "Prior Resolutions"), regarding the issuance of parity bonds which are not met by the Series 2018 A Bonds, or the Resolution; and (vii) consents to any amendments made to the Prior Resolutions by the Resolutions.

WITNESS my signature on this 20<sup>th</sup> day of August, 2018.

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

A handwritten signature in blue ink, appearing to read "John D. [unclear]", is written over a horizontal line. To the left of the signature is a large blue checkmark.

State Director

LOGAN COUNTY PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II)  
SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

3.1

GENERAL CERTIFICATE ON:

1. TERMS AND AWARD OF BONDS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES AND DELIVERY
6. RATES
7. INCUMBENCY AND OFFICIAL NAME
8. MEETINGS
9. INSURANCE
10. SPECIMEN BONDS
11. LOAN AGREEMENT
12. BOND PROCEEDS; GRANTS
13. LAND AND RIGHTS-OF-WAY
14. CONFLICTS OF INTEREST
15. USERS
16. PROCUREMENT OF ENGINEERING SERVICES
17. VERIFICATION OF SCHEDULE
18. WETLANDS COVENANT
19. COUNTERPARTS

On this 20<sup>th</sup> day of August, 2018, we, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Logan County Public Service District (the "Issuer"), and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the Issuer's Water Revenue Bonds (Big Harts Creek Project-Phase II), Series 2018 A (United States Department of Agriculture) (the "Bonds"), dated the date hereof, as follows:

1. **TERMS AND AWARD OF BONDS:** The entire issue of the Bonds has been duly awarded to the United States of America, United States Department of Agriculture, Rural Utilities Service (the "Government"), pursuant to a Letter of Conditions dated May 8, 2014, and all amendments thereto (collectively, the "Letter of Conditions"). The Bonds are authorized to be issued pursuant to the Bond Resolution duly adopted by the Issuer on August 16, 2018, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 16, 2018 (collectively, the "Resolution"). All capitalized words and terms used in this Certificate and not otherwise defined herein shall have the same meanings as set forth in the Resolutions.

2. **NO LITIGATION:** No controversy or litigation of any nature is now pending or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the authorization, issuance, sale and delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection or use of

the revenues of the System, or the pledge and security of the Net Revenues for the Bonds; nor affecting the validity of the Bonds or any provisions made or authorized for the payment thereof; nor questioning the existence of the Issuer or the title of the members or officers of the Issuer or the Board thereof to their respective offices; nor questioning any proceedings of the Issuer taken with respect to the authorization, issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection or use of the revenues of the System, or the pledge and security of the Net Revenues for the Bonds.

3. **GOVERNMENTAL APPROVALS AND BIDDING:** All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations, licenses, orders and certificates required by law for the acquisition and construction of the Project, the operation of the System, the imposition of rates and charges and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Code of West Virginia, 1931, as amended, which bids remain in full force and effect. The Issuer has received the Drug Free Workplace affidavits from the successful bidders required by Chapter 21, Article 1D of the West Virginia Code of 1931, as amended.

4. **NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS:** There has been no adverse change in the financial condition of the Issuer since the approval and acceptance of the Letter of Conditions by the Issuer or the execution and delivery of the Loan Agreement. The Issuer has met all conditions set forth in the Letter of Conditions and the Loan Agreement and will provide the financial, institutional, legal and managerial capabilities necessary to complete and operate the Project.

The Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the parity and coverage requirements of the Prior Bonds and the Prior Resolutions and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. The Issuer has obtained (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 consent of the Registered Owners of the Prior Bonds to the issuance of the Bonds on a parity with the Prior Bonds.

Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by the revenues or the assets of the System. The Issuer is in compliance with all of the covenants of the Prior Bonds and the Prior Resolution.

5. **SIGNATURES AND DELIVERY:** The undersigned Chairman and Secretary are the duly elected or appointed, qualified and acting officers of the Issuer as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Bonds for the Issuer. The seal impressed upon the Bonds and this Certificate is the duly authorized, proper and only seal of the Issuer. On the date hereof, the undersigned Chairman did officially sign all of the Bonds, consisting upon original issuance of a single Bond for each Series, dated the date hereof, by his or her manual signature; the undersigned Secretary

did officially cause the seal of the Issuer to be affixed upon the Bonds and to be attested by his or her manual signature; and the Chairman did deliver the Bonds to a representative of the Government as the original purchaser of the Bonds.

6. RATES: The rates for the System, as affirmed by The County Commission of Logan County, are currently in effect. The Issuer adopted a resolution on June 27, 2017 with respect to the Project, rates, fees and charges, as supplemented by an amended resolution adopted by the Issuer on September 5, 2017. Rates, fees and charges were effective as of October 5, 2017 following an affirmative vote of The County Commission of Logan County on August 21, 2017.

7. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Logan County Public Service District." The Issuer is a public service district and a public corporation duly created by The County Commission of Logan County and presently existing under the laws of, and a political subdivision of, the State of West Virginia. The Issuer operates the System in Boone, Logan, Lincoln, Mingo and Wyoming Counties of said State. The governing body of the Issuer is its Board, consisting of three duly appointed, qualified and acting members, whose names and dates of commencement and termination of their current terms are as follows:

| <u>Name</u>      | <u>Date of Commencement<br/>of Office</u> | <u>Date of Termination<br/>of Office</u> |
|------------------|-------------------------------------------|------------------------------------------|
| Ben F. Lowe, Jr. | January 2014                              | January 2020                             |
| Mike Stone       | October 2013                              | October 2019                             |
| Leonard Hovis    | January 2014                              | January 2020                             |

The duly elected or appointed officers of the Board for 2018 are as follows:

|                  |   |           |
|------------------|---|-----------|
| Ben F. Lowe, Jr. | - | Chairman  |
| Mike Stone       | - | Secretary |
| Leonard Hovis    | - | Treasurer |

The duly appointed and acting attorney for the Issuer is James A. Walker, Esquire, of Chapmanville, West Virginia.

8. MEETINGS: All actions, resolutions, orders and agreements taken, adopted and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds, the acquisition, construction and financing of the Project and the operation of the System were authorized or adopted at meetings of the Board duly and regularly or specifically called and held pursuant to all applicable statutes, including Chapter 6, Article 9A of the Code of West Virginia, 1931, as amended, and the rules of procedure of the Board, and a quorum of duly elected or appointed, qualified and acting members of the Board was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. INSURANCE: The Issuer will maintain or, as appropriate, will require all contractors to maintain workers' compensation, public liability and property damage insurance,

standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Resolution, the Loan Agreement and the Letter of Conditions. All insurance for the System required by the Resolution, the Loan Agreement and the Letter of Conditions are in full force and effect.

10. SPECIMEN BONDS: Attached hereto as Exhibit A are specimens of the Bonds which, except as to execution, are identical in all respects with the Bonds this day delivered to the Government and the Authority and being substantially in the form prescribed in the Resolution.

11. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statements of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement, which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

12. BOND PROCEEDS; GRANTS: On the date hereof, the Issuer received: the sum of \$61,351.70 from the Government being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer from time to time as acquisition and construction of the Project progresses. As of the date hereof, the grant from the Government in the amount of \$1,000,000, the grant from The County Commission of Logan County in the amount of \$200,000, and the Small Cities Block Grant in the amount of \$1,500,000 are committed for the Project and are in full force and effect.

13. LAND AND RIGHTS-OF-WAY: All land, rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

14. CONFLICTS OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Resolution, and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

15. **USERS:** The Issuer will serve at least 11,904 bona fide users upon the completion of the Project and has obtained at least 156 signed user agreements, in full compliance with the Letter of Conditions.

16. **PROCUREMENT OF ENGINEERING SERVICES:** The Issuer has complied with all the requirements of Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended, in the procurement of the engineering services of the Consulting Engineer.

17. **VERIFICATION OF SCHEDULE:** The final amended Schedule B attached to the Certificate of Consulting Engineer, with the signature of the Chairman and the Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the Bonds.

18. **WETLANDS COVENANT:** The Issuer hereby certifies that it will not use any proceeds of the Bonds for a purpose that will contribute to excessive erosion of highly erodible lands or to the conversion of wetlands to produce an agricultural commodity.

19. **COUNTERPARTS:** This Certificate may be executed in counterparts and all counterparts shall be deemed to be the Certificate.

[Remainder of page intentionally left blank]

WITNESS our signatures and the official corporate seal of the LOGAN COUNTY PUBLIC SERVICE DISTRICT, as of the date first written above.

[SEAL]

Signature

Official Title

Ben F. Lowe

Chairman

Mike Stone

Secretary

James A. Walker

Attorney

**EXHIBIT A**

**Series 2018 A Specimen Bond (See Tab No. 14)**

LOGAN COUNTY PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II)  
SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

CERTIFICATE OF SECRETARY  
AS TO TRUTH AND ACCURACY OF DOCUMENTS DELIVERED

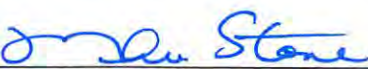
On this 20<sup>th</sup> day of August, 2018, the undersigned duly appointed Secretary of Logan County Public Service District (the “Issuer”) hereby certifies that the copies of the following documents being delivered in connection with the closing of the sale of the Logan County Public Service District Water Revenue Bonds (Big Harts Creek Project-Phase II), Series 2018 A (United States Department of Agriculture) (the “Bonds”), are, as of the date hereof, true and accurate copies of the originals of those documents maintained on file with the Issuer and delivered in the transcript of proceedings, that said documents have been duly adopted or approved by the Public Service Board (the “Board”) of the Issuer and that said documents are still in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, rescission, supersedence, amendment or modification is also listed below:

1. Orders of The County Commission of Logan County Creating and Enlarging the Issuer.
2. Orders of The County Commission of Logan County Appointing the Members of the Board.
3. Oaths of Office of the Board Members.
4. Rules of Procedure.
5. Project and Rate Resolution.
6. USDA Letter of Conditions.
7. USDA Closing Letter.
8. USDA Loan Resolution.
9. Minutes of Board Meeting regarding Adoption of USDA Loan Resolution.
10. Bond Resolution.
11. Supplemental Resolution.

above. WITNESS my signature and the official seal of the Issuer as of the date first written

LOGAN COUNTY PUBLIC SERVICE DISTRICT

[SEAL]

  
Secretary

LOGAN COUNTY PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II)  
SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

CERTIFICATE OF CONSULTING ENGINEER

On this 20<sup>th</sup> day of August, 2018, I, Charles R. Roberts, Jr., Registered Professional Engineer, West Virginia License No. 10424, of E.L. Robinson Engineering Company, Charleston, West Virginia, hereby certify as follows:

1. My firm, E.L. Robinson Engineering Company, is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the existing public water facilities (the "System") of Logan County Public Service District (the "Issuer"), to be constructed primarily in Logan County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. All capitalized words used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on August 16 2018, and the Letter of Conditions dated May 8, 2014 (the "Letter of Conditions"), from the United States of America, United States Department of Agriculture, Rural Utilities Service ("the Government").

2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; (ii) capitalizing interest on the Bonds; and (iii) paying costs of issuance and related costs.

3. To the best of our knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by E.L. Robinson Engineering Company and approved by the West Virginia Bureau for Public Health, and any change orders approved by the Issuer, the Government and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and when constructed, in our professional opinion, has a useful life of at least 40 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 the Letter of Conditions and all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy; (iv) 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; (v) the successful bidder received any and all addenda to the original bid documents; (vi) the bid documents relating to the Project reflect the Project as approved by the Government and the bid forms provided to the bidders contain all critical operational components of the Project; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) 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 the operation of the System, including: [(a) the West Virginia Office of Environmental Health Services Construction Permit, (b) the Corps of Engineers Nationwide Permit (404), (c) the West Virginia Department of Environmental Protection 401 Certification and General NPDES Permit, and (d) the West Virginia Department of Highways Permit;] (x) in reliance upon the certificate of Michael D. Griffith, CPA, of even date herewith, as of the effective date thereof, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (xi) the net proceeds of the Bonds, together with all moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project set forth in the Schedule B attached hereto and approved by the Issuer; (xii) the Project was designed and will be constructed in compliance with the provisions of West Virginia Code Chapter 22, Article 29; and (xiii) attached hereto as Exhibit A is the final amended "Schedule B – Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

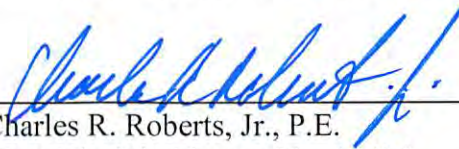
4. The Project will serve approximately 208 new customers in the Big Harts Creek, Smokehouse Fork, White Oak Branch and surrounding areas of Logan County.

[Remainder of page intentionally left blank]

WITNESS my signature and seal as of the date first written above.



E.L. ROBINSON ENGINEERING COMPANY

  
\_\_\_\_\_  
Charles R. Roberts, Jr., P.E.  
West Virginia License No. 10424

BIG HARTS PHASE II - LOGAN COUNTY PUBLIC SERVICE DISTRICT  
Schedule B

8/16/2018

| A. COST OF PROJECT             | USDA Loan    | USDA Grant   | CDBG         | Logan County Commission | Total        |
|--------------------------------|--------------|--------------|--------------|-------------------------|--------------|
| 1 Construction                 |              |              |              |                         |              |
| Contract 1                     | 1,750,648.30 | 599,428.44   | 1,110,276.56 | 35,356.70               | 3,495,710.00 |
| Contract 2                     | 200,000.00   | 155,602.50   |              |                         | 355,602.50   |
| 2 Construction Contingency     |              | 244,969.06   |              |                         | 244,969.06   |
| 3 Technical Services           |              |              |              |                         |              |
| a Design                       |              |              | 220,000.00   |                         | 220,000.00   |
| b Construction                 | 40,000.00    |              |              |                         | 40,000.00    |
| c Inspection                   | 130,000.00   |              |              |                         | 130,000.00   |
| d Special Services             |              |              | 57,000.00    | 23,000.00               | 80,000.00    |
| 4 Legal                        |              |              |              |                         |              |
| a Project Legal                |              |              | 20,000.00    | 30,000.00               | 50,000.00    |
| b PSC Legal                    | 15,000.00    |              |              |                         | 15,000.00    |
| c Property Acquisition         |              |              |              | 20,000.00               | 20,000.00    |
| 5 Accounting                   | 1,351.70     |              | 13,000.00    | 30,643.30               | 44,995.00    |
| 6 Lands & ROWs                 |              |              | 9,000.00     | 31,000.00               | 40,000.00    |
| 7 Administration (Region II)   |              |              | 70,000.00    |                         | 70,000.00    |
| 8 Permits                      |              |              |              | 30,000.00               | 30,000.00    |
| 9 ADA Compliance               |              |              | 723.44       |                         | 723.44       |
| 10 Project Contingency         |              |              |              |                         |              |
| 11 Sub Total                   | 2,137,000.00 | 1,000,000.00 | 1,500,000.00 | 200,000.00              | 4,837,000.00 |
| B. COST OF FINANCING           |              |              |              |                         |              |
| 12 Reserve                     |              |              |              |                         |              |
| 13 Capitalized interest        | 90,000.00    |              |              |                         | 90,000.00    |
| 14 Bond Counsel (S&J)          | 25,000.00    |              |              |                         | 25,000.00    |
| 15 Registrar Fee               |              |              |              |                         |              |
| 16 Sub Total Cost of Financing | 115,000.00   |              |              |                         | 115,000.00   |
| 17 TOTAL PROJECT COST          |              |              |              |                         |              |
| C. SOURCES OF OTHER FUNDS      |              |              |              |                         |              |
| 18 Federal Grant (USDA)        | 1,000,000.00 |              |              |                         |              |
| Federal Grant (USDA)           |              |              |              |                         |              |
| Federal Grant (SCBG)           | 1,500,000.00 |              |              |                         |              |
| 19 Any Other Grant (County)    | 200,000.00   |              |              |                         |              |
| 20 TOTAL GRANTS                | 2,700,000.00 |              |              |                         |              |
| 21 Size of Bond Issue          | 2,252,000.00 |              |              |                         |              |

Ben F Lowe

Logan County PSD

8/20/18  
Date

E.L. Robinson

8/20/18  
Date



August 20, 2018

LOGAN COUNTY PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II)  
SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

Logan County Public Service District  
Monaville, West Virginia

United States Department of Agriculture  
Rural Utilities Service  
Cross Lanes, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

Jackson Kelly PLLC  
Charleston, West Virginia

Ladies and Gentlemen:

I have reviewed the water rates of Logan County Public Service District (the "Issuer") and the projected operating expenses and anticipated customer usage provided by E.L. Robinson Engineering Company, the consulting engineer of the Issuer. It is my opinion that such rates are sufficient (i) to provide for all operating expenses of the water facilities of the Issuer (the "System") and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Issuer's Water Revenue Bonds (Cow Creek Project), Series 1996 B; Water Revenue Bonds (Whitman Creek Project), Series 1997 A; Water Revenue Bonds (Harts Creek Project), Series 1997 B; Water Revenue Bonds (Elk Creek/Spice Creek/Verner Project - West Virginia Infrastructure and Jobs Development Council), Series 1998 A; Water Revenue Bonds (Mill Creek Project - West Virginia Infrastructure and Jobs Development Council), Series 1999 A; Water Revenue Bonds (Crawley Creek/Chief Logan Project - West Virginia Infrastructure and Jobs Development Council), Series 1999 C; Water Revenue Bonds (Enaloc Project - West Virginia Water Development Authority), Series 1999 D; Water Revenue Bonds, Series 2001 A (West Virginia Water Development Authority); Water Revenue Bonds, Series 2001 B (West Virginia Infrastructure Fund); Water Revenue Bonds, Series 2002 A (United States Department of Agriculture); Water Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund); Water Revenue Bonds, Series 2003 B (West Virginia Infrastructure Fund); Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund); Water Revenue Bonds (North Fork Project), Series 2008 A (West Virginia Infrastructure Fund); Water Revenue Bonds (Holden Project), Series 2008 B (West Virginia Infrastructure Fund); Water Revenue Bonds (Upper Little Harts Creek Project), Series 2010 A (West Virginia Infrastructure Fund); Water Revenue Bonds (Marsh Fork Project), Series 2012 A (United States Department of Agriculture); Water Revenue Bonds (Anchor Road Project) Series 2013 A (West Virginia Infrastructure Fund); Water

Revenue Bonds (Big Harts Creek Project-Phase I), Series 2014 A (United States Department of Agriculture); Water Revenue Bonds (Big Harts Creek Project-Phase I), Series 2014 B (West Virginia Infrastructure Fund); Water Revenue Bonds (Frances Creek Project), Series 2015 A (United States Department of Agriculture); Water Revenue Bonds (Hidden Valley/Airport Road Project), Series 2015 B (West Virginia Infrastructure Fund) (collectively, the Prior Bonds”); the Water Revenue Bonds (Big Harts Creek Project Phase II), Series 2018 A (United States Department of Agriculture), dated August 20, 2018, issued in the original aggregate principal amount of \$2,252,000 and the Water Revenue Bonds (Big Harts Creek Project – Phase III), Series 2018 B (United States Department of Agriculture), issued simultaneously herewith in the original aggregate principal amount of \$1,782,000.

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

The Issuer is current on all payments to the funds and accounts established under the Bond Resolutions, including all reserve accounts.

Very truly yours,



Michael D. Griffith, CPA, AFI  
Griffith & Associates, PLLC

MDG/tf

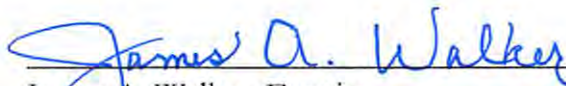
LOGAN COUNTY PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS (BIG HARTS CREEK PROJECT – PHASE II)  
SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

CERTIFICATE OF NO LITIGATION

On this 20<sup>th</sup> day of August, 2018, the undersigned hereby certifies that as of the date hereof, no controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the authorization, issuance, sale or delivery of the above-captioned Bonds (the “Bonds”), the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Bonds or any proceedings of Logan County Public Service District (the “Issuer”) taken with respect to the authorization, issuance, sale or delivery of the Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge of the Net Revenues for payment of the Bonds.

All capitalized terms used herein shall have the same meaning set forth in the Bond Resolution, authorizing the Bonds, duly adopted by the Issuer on August 16, 2018.

WITNESS my signature as of the date first written above.



James A. Walker, Esquire

Attorney for Logan County Public Service District

LOGAN COUNTY PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II)  
SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

RECEIPT FOR BONDS

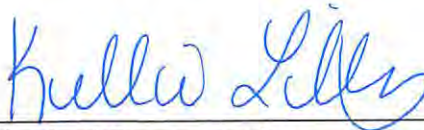
On this 20<sup>th</sup> day of August, 2018, the undersigned authorized representative of the United States of America, United States Department of Agriculture, Rural Utilities Service (the "Government"), for and on behalf of the Government, hereby certifies as follows:

1. On the date hereof, the undersigned received for and on behalf of the Government, the Water Revenue Bonds (Big Harts Creek Project-Phase II), Series 2018 A (United States Department of Agriculture) (the "Bonds"), of Logan County Public Service District (the "Issuer"), dated August 20, 2018, issued in the form of one bond in the principal amount of \$2,252,000 and numbered AR-1. The Bonds bear interest at the rate of 3.125% per annum, payable in monthly installments on the amounts advanced thereunder, commencing 30 days following the date of delivery of the Bonds and continuing on the corresponding day of each month for the first 24 months after the date of the Bonds, and thereafter, on the corresponding day of each month in installments of principal and interest on the Bonds in the aggregate amount of \$2,252,000, except that the final installment on the Bonds shall be paid at the end of 38 years from the date of the Bonds in the sum of the unpaid principal and interest due on the date thereof.

2. At the time of such receipt of the Bonds, they had been executed by the Chairperson of the Issuer and attested by the Secretary of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been impressed upon the Bonds.

WITNESS my signature as of the date first written above.

UNITED STATES OF AMERICA,  
UNITED STATES DEPARTMENT OF  
AGRICULTURE, RURAL UTILITIES SERVICE



\_\_\_\_\_  
Authorized Representative

LOGAN COUNTY PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS (BIG HARTS CREEK PROJECT-PHASE II)  
SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

RECEIPT FOR BOND PROCEEDS

On this 20<sup>th</sup> day of August, 2018, the undersigned Chairperson of Logan County Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certifies that the Issuer has received on the date hereof from the United States of America, United States Department of Agriculture, Rural Utilities Service (the "Government"), the sum of \$61,351.70, being the first advance on Issuer's Water Revenue Bonds (Big Harts Creek Project-Phase II), Series 2018 A (United States Department of Agriculture) (the "Bonds"), being more than a de minimus amount of the purchase price of the Bonds. The Issuer understands that the remaining proceeds of the Bonds will be advanced to the Issuer by the Government from time to time as construction progresses.

WITNESS my signature as of the date first written above.

LOGAN COUNTY PUBLIC SERVICE DISTRICT

Chairman

A handwritten signature in blue ink, appearing to read "Ben F. Lowe", is written over a horizontal line.

LOGAN COUNTY PUBLIC SERVICE DISTRICT  
SEWER REVENUE BONDS  
SERIES 2018 A (UNITED STATES DEPARTMENT OF AGRICULTURE)  
AND  
SERIES 2018 B (WEST VIRGINIA INFRASTRUCTURE FUND)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

LOGAN BANK & TRUST COMPANY, Logan, West Virginia (the "Bank"), hereby accepts appointment as Depository Bank for the Revenue Fund in connection with Bond Resolutions and Supplemental Resolutions adopted by Logan County Public Service District (the "Issuer") on January 9, 2018 (together, the "Resolution"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2018 A (United States Department of Agriculture), in the amount of \$230,000, dated January 11, 2018, and Sewer Revenue Bonds, Series 2018 B (West Virginia Infrastructure Fund), in the amount of \$1,700,000, dated January 11, 2018, and agrees to serve as Depository Bank for the Revenue Funds and Construction Funds, as set forth in the Resolutions. The Bank is not serving as either a financial advisor or municipal advisor to the Issuer.

WITNESS my signature on this 11<sup>th</sup> day of January, 2018.

LOGAN BANK & TRUST COMPANY

*Mark A. Manster SVP/CFO*  
Authorized Officer

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

3.13

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302  
(304) 558-3971

Date of Report: August 20, 2018

ISSUE: Logan County Public Service District Water Revenue Bonds (Big Harts Creek Project-Phase II), Series 2018 A (United States Department of Agriculture)

ADDRESS: P.O. Box 506, Logan, WV 25601 COUNTY: Logan  
PURPOSE OF ISSUE: New Money X Refunding \_\_\_\_\_ Refunds issue(s) dated: \_\_\_\_\_

ISSUE DATE: August 20, 2018 CLOSING DATE: August 20, 2018

ISSUE AMOUNT: \$2,252,000 RATE: 3.125%

1st DEBT SERVICE DUE: N/A 1st PRINCIPAL DUE: N/A

1st DEBT SERVICE AMOUNT: \$ N/A PAYING AGENT: None (District pays USDA directly)

BOND COUNSEL: Jackson Kelly PLLC  
Contact Person: Samme L. Gee, Esquire  
Phone: (304) 340-1318

UNDERWRITERS COUNSEL: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: \_\_\_\_\_

CLOSING BANK: Logan Bank & Trust  
Contact Person: Bart Willis  
Phone: (304) 752-1166

ESCROW TRUSTEE: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: \_\_\_\_\_

KNOWLEDGEABLE ISSUER CONTACT:  
Contact Person: William Baisden  
Position: General Manager  
Phone: (304) 946-2641  
E-Mail: wb@lcpd.com

OTHER: USDA, Rural Utilities Service  
Contact Person: Kellie Lilly  
Function: Area Specialist  
Phone: (304) 776-5256 ex 113

DEPOSITS TO MBC AT CLOSE: \_\_\_\_\_  
By \_\_\_\_\_ Wire \_\_\_\_\_  
\_\_\_\_\_ Check \_\_\_\_\_

Accrued Interest: \$ \_\_\_\_\_  
Capitalized Interest: \$ \_\_\_\_\_  
Reserve Account: \$ \_\_\_\_\_  
Other: \_\_\_\_\_ \$ \_\_\_\_\_

**REFUNDS & TRANSFERS BY MBC AT CLOSE:**

By \_\_\_\_\_ Wire \_\_\_\_\_  
\_\_\_\_\_ Check \_\_\_\_\_  
\_\_\_\_\_ IGT \_\_\_\_\_

To Escrow Trustee: \$ \_\_\_\_\_  
To Issuer: \$ \_\_\_\_\_  
To Cons.Invest.Fund \$ \_\_\_\_\_  
To Other: \_\_\_\_\_ \$ \_\_\_\_\_

NOTES: Series 2018 A Bonds Reserve Account only set up with MBC. Debt service payments will be made directly by District to USDA.

**FOR MUNICIPAL BOND COMMISSION USE ONLY:**

Documents Required: \_\_\_\_\_  
Transfers Required: \_\_\_\_\_

August 20, 2018

Logan County Public Service District  
Monaville, West Virginia

United States Department of Agriculture  
Rural Utilities Service  
Cross Lanes, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

Re: Logan County Public Service District  
Water Revenue Bonds (Big Harts Creek Project-Phase II)  
Series 2018 A (United States Department of Agriculture)

Ladies and Gentlemen:

We have served as bond counsel to Logan County Public Service District (the “Issuer”) in connection with the issuance of its Water Revenue Bonds (Big Harts Creek Project-Phase II), Series 2018 A (United States Department of Agriculture), dated the date hereof (the “Bonds”).

We have examined certified copies of proceedings and other papers relating to the issuance of the Bonds. The Bonds are issued in the principle amount of \$2,252,000, in the form of one bond and bear interest from the date hereof, on the amount advanced hereunder, at the rate of 3.125% per annum.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended (the “Act”), and have been authorized by a Bond Resolution duly adopted by the Issuer on August 16, 2018, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 16, 2018 (together, the “Resolution”). The Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public water facilities of the Issuer (the “Project”); (ii) capitalizing interest on the Bonds; and (iii) paying certain costs of issuance and related costs. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution when used herein.

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

1. The Issuer is a duly created and validly existing public service district and is a public corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Resolution and to issue and seal the Bonds, all under the Act and other applicable provisions of law.
2. The Issuer has legally and effectively adopted the Resolution and all other necessary resolutions in connection with the issuance and sale of the Bonds. The Resolution constitutes a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with the terms hereof.
3. The Bonds have been duly authorized, issued, executed and delivered by the Issuer and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Prior Bonds, all in accordance with the terms of the Bonds and the Resolution.
4. Under the Act, the Bonds and the interest thereon are exempt from taxation by the State of West Virginia and the other taxing bodies of the State.
5. The Bonds have not been issued on the basis that the interest 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 Bonds.

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

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

Very truly yours,

A handwritten signature in blue ink, appearing to read "Vack Kallgolic".

**JAMES A. WALKER**  
Attorney at Law  
3066 Lincoln Highway  
P.O. Box 900  
Chapmanville, West Virginia 25508  
1-304-687-1797  
email:jimwalk7@yahoo.com

August 20, 2018

Logan County Public Service District  
Monaville, West Virginia 25636

United States Department of Agriculture  
Rural Utilities Service  
Cross Lanes, West Virginia 25313

Jackson Kelly PLLC  
Charleston, West Virginia 25301

Re: Logan County Public Service District  
Water Revenue Bonds (Big Harts Creek Project – Phase II)  
Series 2018 A (United States Department of Agriculture)

Ladies and Gentlemen:

I am counsel to Logan County Public Service District (the “Issuer”). As such counsel, I have examined copies of the approving opinions of Jackson Kelly PLLC, as bond counsel, relating to the above-captioned bonds of the Issuer (collectively, the “Bonds”), the Letter of Conditions dated May 8, 2014, from the United States of America, United States Department of Agriculture, Rural Utilities Service (the “Government”), a Bond Resolution duly adopted by the Public Service Board of the Issuer (the “Board”) on August 16, 2018, as supplemented by a Supplemental Resolution duly adopted on August 16, 2018, (collectively, the “Resolution”), orders of The County Commission of Logan County relating to the Issuer and the appointment of members of the Board, approving the Project and rates, and other documents relating to the Bonds and the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution when used herein.

I am of the opinion that:

1. The Issuer is a duly created and validly existing public service district and is a public corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System and to adopt the Resolution, all under the Act and other applicable provisions of law.

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

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

4. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer, enforceable in accordance with its terms.

5. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement, 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 resolution, agreement or other instrument to which the Issuer is a party or any existing law, regulation, court order or consent decree to which the Issuer is subject.

6. The Issuer has received all permits, licenses, approvals, consents, certificates, orders, exemptions, registrations and authorizations necessary for the creation and 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 for the use of the System, including, without limitation, all requisite permits, approvals, orders and certificates from The County Commission of Logan County, the West Virginia Bureau for Public Health and the West Virginia Infrastructure and Jobs Development Council. The Issuer has taken all actions required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The rates for the System, as affirmed by The County Commission of Logan County, are currently in effect. The Issuer adopted a resolution on June 27, 2017, with respect to the Project, rates, fees and charges, as supplemented by an amended resolution adopted by the Issuer on September 5, 2017. Rates, fees and charges were effective as of October 5, 2017, following an affirmative vote of The County Commission of Logan County on August 21, 2017.

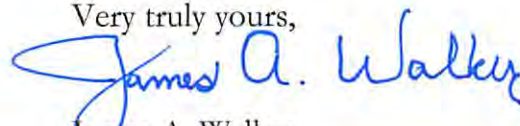
7. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds and the Resolution,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

of the Project, the operation of the System, the validity of the Bonds, the collection of Gross Revenues or the pledge of the Net Revenues for the payment of the Bonds.

8. I have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug-free workplace plan, and the contracts therein contain language that complies with the Drug Free Workplace Act, Chapter 21, Article 1D of the West Virginia Code of 1931, as amended. All successful bidders have made the required provision for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act and the Resolution; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,



James A. Walker  
WV Bar #3901

**JAMES A. WALKER**  
Attorney at Law  
3066 Lincoln Highway  
P.O. Box 900  
Chapmanville, West Virginia 25508  
1-304-687-1797  
Email: [jimwalk7@yahoo.com](mailto:jimwalk7@yahoo.com)

August 20, 2018

Logan County Public Service District  
Monaville, West Virginia

United States Department of Agriculture  
Rural Utilities Service  
Cross Lanes, West Virginia

Jackson Kelly PLLC  
Charleston, West Virginia

Re: Final Title Opinion for Logan County Public Service District  
Big Harts Creek Project – Phase II

Ladies and Gentlemen:

I am counsel to the Logan County Public Service District (the “Issuer”) in connection with a proposed project to construct certain improvements and extensions to the existing public water facilities of the Issuer (the “Project”). I provide this final title opinion on behalf of the Issuer to satisfy the requirements of the United States Department of Agriculture for the Project. Please be advised of the following:

1. The Issuer is a duly created and validly existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia to construct, operate and maintain the Project as approved by the West Virginia Bureau for Public Health.

2. The Issuer has obtained all necessary permits and approvals for the construction of the Project.

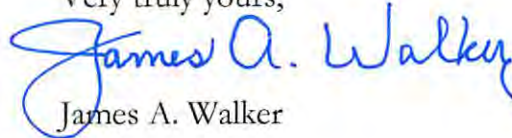
3. I have investigated and ascertained the location of, and I am familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by E.L. Robinson Engineering Company, the consulting engineers for the Project.

4. I have examined the records on file in the Office of the Clerk of the County Commission of Logan County, West Virginia, the county in which the Project is to be located, and, in my opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and/or rights of way, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

5. Any easements and/or rights of way acquired by eminent domain have been filed and final orders granting indefeasible title to the Issuer have been entered. There are no other properties to be acquired by eminent domain.

6. All deeds, easements and rights of way which have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of Logan County to protect the legal title to and interest of the Issuer.

Very truly yours,

  
James A. Walker