

**MT. HOPE WATER ASSOCIATION
WATER SYSTEM IMPROVEMENTS PROJECT**

**WATER REVENUE BONDS, SERIES 2024 A
(WEST VIRGINIA INFRASTRUCTURE FUND)**

DATE OF CLOSING: MAY 8, 2024

BOND RESOLUTION

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MT. HOPE WATER ASSOCIATION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING WATERWORKS FACILITIES OF THE MT. HOPE WATER ASSOCIATION (THE "ISSUER") AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE ISSUER OF WATER REVENUE BONDS TO BE DESIGNATED "WATER REVENUE BONDS, SERIES 2024 A (WEST VIRGINIA INFRASTRUCTURE FUND)" IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN TWO MILLION DOLLARS (\$2,000,000); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH SERIES 2024 A BONDS; APPROVING, RATIFYING AND CONFIRMING CREDIT LINE DEED OF TRUST, SECURITY AGREEMENT AND OTHER DOCUMENTS AND INSTRUMENTS RELATING TO THE 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 BOARD OF DIRECTORS OF THE MT. HOPE WATER ASSOCIATION:

ARTICLE I STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Resolution") is adopted pursuant to the provisions of Chapter 31, Article 15A and Chapter 31E, Article 1 et seq. of the West Virginia Code, 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The Mt. Hope Water Association (the "Issuer") is a non-stock, non-profit corporation organized under the laws of the State of West Virginia, and located in Upshur County, West Virginia.

B. The Issuer presently owns and operates a waterworks system. It is deemed necessary and desirable for the health and welfare of the customers of the Issuer that there be

acquired and constructed certain additions, betterments, improvements and extensions to the existing waterworks facilities of the Issuer, including without limitation replacement of two (2) short waterline sections, the installation of three (3) new propane generators with propane tanks at three (3) existing booster pump station sites, three (3) existing water storage tank rehabilitations, one (1) existing storage tank demolition, and replacement of an existing fire hydrant. It also includes the installation of new radio-read meters, meter well lids, and associated meter reading and billing system, together with all appurtenant and related facilities (collectively, the "Project") (the existing waterworks facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by Horner Brothers Engineers (the "Consulting Engineers"), which plans and specifications have heretofore been filed with the Issuer.

C. It is further deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2024 A (West Virginia Infrastructure Fund), in the total aggregate principal amount of not more than \$2,000,000 (the "Series 2024 A Bonds"), to permanently finance the costs of acquisition and construction of the Project and costs of issuance of the Series 2024 A Bonds and related costs. Said costs shall be deemed to include but not be limited to the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2024 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2024 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2024 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2024 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

D. The estimated maximum cost of the acquisition and construction of the Project and the issuance of the Series 2024 A Bonds is \$2,500,000, an amount not to exceed \$2,000,000 will be obtained from the proceeds of the sale of the Series 2024 A Bonds described above and \$290,000 will be obtained from a contribution from the County Commission of Upshur County, West Virginia.

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

F. It is in the best interests of the Issuer that (i) its Series 2024 A Bonds be sold to the Authority pursuant to the terms and provisions of loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the respective parties (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. The Series 2024 A Bonds will be secured by a Credit Line Deed of Trust, Security Agreement and Fixture Filing by and among the Issuer, the trustee named therein and the Authority (the "Series 2024 A Bonds Deed of Trust"), and a Security Agreement by and between the Issuer and the Authority (the "Series 2024 A Bonds Security Agreement"), pursuant to which the Issuer shall grant the Authority a security interest in, among other things, the revenues and accounts receivable of the Issuer.

H. The Series 2024 A Bonds shall be issued on a parity with the Prior Bonds (as hereinafter defined) with respect to liens, pledge and source of and security for payment and in all other respects, pursuant to the Intercreditor Agreement by and among the Issuer, the Authority, and the United States Department of Agriculture (the "Intercreditor Agreement"). The Issuer has met the parity and coverage requirements of the Prior Bonds and the Prior Resolutions (as hereinafter defined) 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. Prior to the issuance of the Series 2024 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 (as hereinafter defined) of the Prior Bonds to the issuance of the Series 2024 A Bonds on a Parity with the Prior Bonds. Other than the Prior Bonds (as hereinafter defined), there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

I. 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 costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2024 A Bonds and the Prior Bonds, and to make payments into all funds and accounts and other payments provided for herein.

J. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2024 A Bonds, or will have so complied prior to issuance of any thereof, the approval of the Project and the financing thereof by the Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2024 A Bonds or such final order will not be subject to appeal.

K. The Project has been reviewed and determined to be technically and financially feasible by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03 Resolution Constitutes Contract. In consideration of the acceptance of the Series 2024 A Bonds by those who shall be the respective 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 Holders, 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 Holders of any and all of such Series 2024 A Bonds, all of which shall be of equal rank and without preference, priority or

distinction between any one Series 2024 A Bond and any other Series 2024 A Bonds, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

“Act” means, collectively, Chapter 31, Article 15A and Chapter 31E, Article 1 et seq. of the West Virginia Code, 1931, as amended and in effect on the date of adoption hereof.

“Authority” means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2024 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council.

“Authorized Officer” means the President of the Issuer.

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

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

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

“Closing Date” means the date upon which there is an exchange of the Series 2024 A Bonds for all or a portion of the proceeds of the Series 2024 A Bonds from the Authority.

“Code” means the Internal Revenue Code of 1986, as amended, and the Regulations.

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

“Consulting Engineers” means Horner Brothers Engineers, Clarksburg, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

“Council” means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Council.

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

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

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

“Governing Body” or “Board” means the board of directors of the Issuer, as it may now or hereafter be constituted.

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

“Gross Revenues” means 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, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

“Herein,” “hereto” and similar words shall refer to this entire Resolution.

“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.

“Intercreditor Agreement” means the Intercreditor Agreement effective as of the Closing Date, by and among the Issuer, United States Department of Agriculture and the Authority, relating to parity among the Series 2024 A Bonds and the Prior Bonds.

“Issuer” means the Mt. Hope Water Association, a West Virginia non-stock, non-profit corporation.

“Loan Agreement” means the Loan Agreement heretofore entered, or to be entered, by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2024 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

“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 and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein after defined), 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 monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

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

“Paying Agent” means the Commission or other entity designated as such for the Series 2024 A Bonds in the Supplemental Resolution.

“Prior Bonds” means, collectively, the Issuer’s (i) Water Revenue Bonds (United States Department of Agriculture), Series 2001 A, dated February 8, 2001, issued in the original aggregate principal amount of \$2,399,000; (ii) Water Revenue Bonds (United States Department of Agriculture), Series 2008 A, dated February 7, 2008, issued in the original aggregate principal amount of \$125,000; and (iii) Water Revenue Bonds (United States Department of Agriculture), Series 2014 A, dated October 3, 2014, issued in the original aggregate principal amount of \$300,000.

“Prior Bonds Sinking Funds” means the Sinking Funds established for the Prior Bonds by the Prior Resolutions.

“Prior Bonds Reserve Accounts” means the Reserve Accounts established for the Prior Bonds by the Prior Resolutions.

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

“Project” means the Project as described in Section 1.02B hereof.

“Project Fund” means the Project Fund established by Section 5.01 hereof.

“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 or demand 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 holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

- (H) The West Virginia “consolidated fund” managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6, 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.

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

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

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

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

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

“Revenue Fund” means the Revenue Fund previously established or continued by the Prior Resolution and continued hereby.

“Secretary” means the Secretary of the Issuer.

“Series 2024 A Bonds” means the Issuer's Water Revenue Bonds, Series 2024 A (West Virginia Infrastructure Fund), authorized to be issued hereby.

“Series 2024 A Bonds Deed of Trust” means the Credit Line Deed of Trust, Security Agreement and Fixture Filing, effective as of the Closing Date, by and among the Issuer, the trustee named therein and the Authority securing the Series 2024 A Bonds.

“Series 2024 A Bonds Reserve Account” means the Series 2024 A Bonds Reserve Account established by Section 5.02 hereof.

“Series 2024 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 2024 A Bonds in the then current or any succeeding year.

“Series 2024 A Bonds Security Agreement” means the Security Agreement by and between the Issuer and the Authority, dated as of the Closing Date, pursuant to which the Issuer shall grant the Authority a security interest in, among other things, the revenues and accounts receivable of the Issuer to secure the Series 2024 A Bonds.

“Series 2024 A Bonds Sinking Fund” means the Series 2024 A Bonds Sinking Fund established by Section 5.02 hereof.

“Sinking Funds” means, collectively, the respective sinking funds established for the Series 2024 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 or resolutions authorizing the sale of the Series 2024 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2024 A Bonds, and not so included, may be included in another Supplemental Resolution.

“Surplus Revenues” means the Net Revenues not required by the Resolution to be set aside and held for the payment of or security for the Series 2024 A Bonds, the Prior Bonds, or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Cash Working Capital Reserve, the Sinking Funds and the Reserve Accounts.

“System” means the complete waterworks system of the Issuer, as presently existing in its entirety or any integral part thereof, and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include the Project and any and all extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the waterworks system from any sources whatsoever.

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

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01 Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of \$2,500,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2024 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and has entered into or will enter into contracts for the acquisition and

construction of the Project, compatible with the financing plan submitted to the Authority and the Council.

The aforesaid estimated cost of the Project in the amount of \$2,500,000, will be obtained from the proceeds of the Series 2024 A Bonds and a contribution from the Upshur County Commission.

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

Section 3.01 Authorization of Series 2024 A Bonds. For the purposes of paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2024 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2024 A Bonds of the Issuer. The Series 2024 A Bonds shall be issued as a single bond, designated as “Water Revenue Bonds, Series 2024 A (West Virginia Infrastructure Fund),” in the principal amount of not more than \$2,000,000 and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2024 A Bonds shall be deposited in or credited to the Project Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02 Terms of Bonds. The Series 2024 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement with respect to the Series 2024 A Bonds. The Series 2024 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2024 A Bonds shall be paid by check or draft of the Paying Agent, or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2024 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2024 A Bonds. Unless otherwise provided by the Supplemental Resolution. The Series 2024 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03 Execution of Bonds. The Series 2024 A Bonds shall be executed in the name of the Issuer by the President, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2024 A Bonds shall cease to be such officer of the Issuer before the Series 2024 A Bonds so signed and sealed have been actually sold and delivered, such Series 2024 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2024 A Bonds had not ceased to hold such office. Any Series 2024 A Bond may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04 Authentication and Registration. No Series 2024 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Series 2024 A Bonds, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Series 2024 A Bonds shall be conclusive evidence that such Series 2024 A Bonds have been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration on the Series 2024 A Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05 Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2024 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2024 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2024 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Series 2024 A Bonds. The registered Series 2024 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2024 A Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar with respect to the Series 2024 A Bonds. For every such exchange or transfer of Series 2024 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with

respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2024 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2024 A Bonds or, in the case of any proposed redemption of Series 2024 A Bonds, next preceding the date of the selection of Series 2024 A Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2024 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Series 2024 A 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 Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Series 2024 A Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Series 2024 A Bond shall have matured or be about to mature, instead of issuing a substitute Series 2024 A Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Series 2024 A Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07 [Reserved].

Section 3.08 Bonds Secured by Pledge of Gross Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2024 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System and the accounts receivable of the Issuer on a parity with each other and with the Holders of the Prior Bonds, pursuant to the Series 2024 A Bonds Deed of Trust, the Series 2024 A Bonds Security Agreement and the Intercreditor Agreement. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2024 A Bonds and the Prior Bonds, and to make all other payments provided for in the Resolution, are hereby irrevocably pledged to such payments as they become due.

Section 3.09 Delivery of Bonds. The Issuer shall execute and deliver the Series 2024 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2024 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2024 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2024 A Bonds to the original purchasers;

C. An executed and certified copy of the Resolution;

D. Executed copies of the Loan Agreement, the Series 2024 A Bonds Deed of Trust, the Series 2024 A Bonds Security Agreement and the Intercreditor Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2024 A Bonds.

Section 3.10 Form of Series 2024 A Bonds. The text of the Series 2024 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:

(FORM OF SERIES 2024 A BOND)
UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MT. HOPE WATER ASSOCIATION
WATER REVENUE BOND, SERIES 2024 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

KNOW ALL MEN BY THESE PRESENTS: That the MT. HOPE WATER ASSOCIATION, a West Virginia non-stock, nonprofit corporation in Upshur County, West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 202_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest at the rate of 3.0% per annum payable in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 202_, to and including _____ 1, 202_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2024.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing waterworks facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing waterworks facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 31, Article 15A and Chapter 31E, Article 1 et seq. of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2024, and a Supplemental Resolution duly adopted by the Issuer on _____, 2024 (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 the Bonds 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 (UNITED STATES DEPARTMENT OF AGRICULTURE), SERIES 2001 A, DATED FEBRUARY 8, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,399,000; (2) WATER REVENUE BONDS (UNITED STATES DEPARTMENT OF AGRICULTURE), SERIES 2008 A, DATED FEBRUARY 7, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$125,000; AND (3) WATER REVENUE BONDS (UNITED STATES DEPARTMENT OF AGRICULTURE), SERIES 2014 A, DATED OCTOBER 3, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$300,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Resolution) to be derived from the operation of the System and accounts receivable of the Issuer, and a lien on the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Prior Bonds and the Series 2024 A Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2024 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Pursuant to the Series 2024 A Bonds Deed of Trust (as defined in the Resolution) and the Series 2024 A Bonds Security Agreement (as defined in the Resolution), the Issuer has granted a security interest in the Gross Revenues and accounts receivable of the Issuer, and the System. Pursuant to the Intercreditor Agreement (as defined in the Resolution), the Issuer and holder of the Prior Bonds have agreed to parity as to their lien and security interest as to such property securing repayment of the Series 2024 A Bonds and the Prior Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. 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 payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2024 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor the percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Resolution. Remedies provided the registered owners of the Bonds are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of United Bank, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross 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 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.

IN WITNESS WHEREOF, the MT. HOPE WATER ASSOCIATION has caused this Bond to be signed by its President and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 2024.

[SEAL]

President

ATTEST:

Secretary

(Form of)
CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2024 A Bond described in the within-mentioned Resolution and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2024

UNITED BANK, as Registrar

Authorized Officer

(Form of)
EXHIBIT A
RECORD OF ADVANCES

	<u>AMOUNT</u>	<u>DATE</u>
(1)	\$ _____	_____, 2024
(2)	\$	
(3)	\$	
(4)	\$	
(5)	\$	
(6)	\$	
(7)	\$	
(8)	\$	
(9)	\$	
(10)	\$	
(11)	\$	
(12)	\$	
(13)	\$	
(14)	\$	
(15)	\$	
(16)	\$	
(17)	\$	
(18)	\$	
(19)	\$	
(20)	\$	
(21)	\$	
(22)	\$	
(23)	\$	
(24)	\$	
(25)	\$	
(26)	\$	
(27)	\$	
(28)	\$	
(29)	\$	
(30)	\$	
(31)	\$	
(32)	\$	
(33)	\$	
(34)	\$	
(35)	\$	
	TOTAL	\$

(Form of)
EXHIBIT B
DEBT SERVICE SCHEDULE

(Form of)
ASSIGNMENT

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

Dated: _____, _____.

In the presence of:

Section 3.11 Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2024 A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the President is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as “EXHIBIT A” and made a part hereof; and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Resolution. Without limiting the generality of the foregoing, the Issuer hereby specifically approves Schedules X and Y attached to the Loan Agreement, and a certified copy of this Resolution, indicating such approval, shall be submitted to the Authority. The Issuer hereby further approves the Series 2024 A Bonds Security Agreement, the Series 2024 A Bonds Deed of Trust, the Intercreditor Agreement, and any other documents and instruments necessary, incidental or appropriate to finance, acquire, construct, equip and complete the Project and the President and the Secretary are hereby authorized and directed to execute and seal, where appropriate, all such documents. The Issuer shall record the Series 2024 A Bonds Security Agreement, the Series 2024 A Bonds Deed of Trust, and the Intercreditor Agreement in the office of the Clerk of the County Commission of Upshur County within 10 days of the Closing Date.

Section 3.12 Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority and the Council a schedule, the form of which will be provided by the Council, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV [RESERVED]

ARTICLE V FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- A. Revenue Fund (established by Prior Resolutions);
- B. Renewal and Replacement Fund (established by Prior Resolutions);
- C. Cash Working Capital Reserve; and
- D. Project Fund.

Section 5.02 Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued) with and shall be held by the

Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- A. Prior Bonds Sinking Funds (established by Prior Resolutions);
- B. Prior Bonds Reserve Accounts (established by Prior Resolutions);
- C. Series 2024 A Bonds Sinking Fund; and
- D. Series 2024 A Bonds Reserve Account.

Section 5.03 System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer 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. All monies in the Revenue Fund shall be disposed of only in the following order of priority:

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

(2) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the interest payments to the Sinking Funds of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 4 months prior to the first date of payment of interest on the Series 2024 A Bonds, remit to the Commission for deposit in the Series 2024 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2024 A Bonds on the next ensuing quarterly interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2024 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the principal payments to the Sinking Funds of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2024 A Bonds, remit to the Commission for deposit in the Series 2024 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2024 A Bonds on the next ensuing quarterly principal payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2024 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, (i) remit the reserve account payments to the Reserve Accounts of the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2024 A Bonds, if not fully funded upon issuance

of the Series 2024 A Bonds, remit to the Commission for deposit in the Series 2024 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2024 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2024 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 2024 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the moneys in the Revenue Fund, remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 ½% 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.

(6) The Issuer shall next, each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit the amount required, if any, to fund or maintain the Cash Working Capital Reserve at the required level. All funds in the Cash Working Capital Reserve shall be kept separate and apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Cash Working Capital Reserve for such purposes as permitted by the laws and regulations of the State in effect at such time.

Monies in the Series 2024 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2024 A Bonds, as the same shall become due. Monies in the Series 2024 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2024 A Bonds as the same shall come due, when other monies in the Series 2024 A Bonds Sinking Fund are insufficient therefor, and for no other purpose. All investment earnings on monies in the Series 2024 A Bonds Sinking Fund and the Series 2024 A Bonds Reserve Account once fully funded shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the respective Series 2024 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2024 A Bonds Reserve Account which result in a reduction in the balance therein to below the Series 2024 A Bonds Reserve Requirement shall be subsequently restored from the first Gross 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 2024 A Bonds are, issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at

maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2024 A Bonds Sinking Fund or the Series 2024 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2024 A Bonds issued pursuant to this Resolution then Outstanding and all interest to accrue until the maturity thereof.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2024 A Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2024 A Bonds Sinking Fund and the Series 2024 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at any time, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2024 A Bonds Sinking Fund and the Series 2024 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2024 A Bonds Sinking Fund and the Series 2024 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2024 A Bonds, under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2024 A Bonds that are to be remitted to the Commission and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution.

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

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

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at any time, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

G. 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, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

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

ARTICLE VI BOND PROCEEDS; DISBURSEMENTS

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

A. From the proceeds of the Series 2024 A Bonds, there shall first be deposited with the Commission in the Series 2024 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2024 A Bonds for the period commencing on the date of issuance of the Series 2024 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2024 A Bonds, there shall be deposited with the Commission in the Series 2024 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2024 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2024 A Bonds, such monies shall be deposited with the Depository Bank in the Project Fund and applied solely to payment of the costs of the acquisition and construction of the Project in the manner set forth in Section 6.03 and until so expended, are hereby pledged as additional security for the Series 2024 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2024 A Bonds shall be applied as directed by the Council.

Section 6.02 Disbursements of Proceeds of the Series 2024 A Bonds From the Project Fund. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments of all costs shall be made monthly.

Except as provided in Section 6.02 hereof, disbursements of the proceeds of the Series 2024 A Bonds from the Project Fund shall be made only after submission to and approval from the Council, of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

(a) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

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

(c) Each of such costs has been otherwise properly incurred; and

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

Pending such application, monies in the Project Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01 General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holders of the Series 2024 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 any of the Series 2024 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02 Reserved.

Section 7.03 Bonds Secured by Pledge of Gross Revenues: Lien Position with Respect to Prior Bonds. The payment of the debt service of Series 2024 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System and the accounts receivable of the Issuer on a parity with each other and with the Holders of the Prior Bonds, pursuant to the Series 2024 A Bonds Deed of Trust, the Series 2024 A Bonds Security Agreement and the Intercreditor Agreement. The Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2024 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Resolution are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Resolution.

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 the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision entered on December 18, 2023, in Public Service Commission of West Virginia (the “PSC”) Case No. 23-0762-W-CN, which Recommended Decision became the Final Order of the PSC on January 7, 2024.

So long as the Series 2024 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Resolution and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2024 A Bonds shall prove to be insufficient to produce the required sums set forth in this Resolution and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Resolution and the Loan Agreement.

Section 7.05 Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Resolutions. Additionally, so long as the Series 2024 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2024 A Bonds, immediately be remitted to the Commission for deposit in the Series 2024 A Bonds Sinking Fund, and, with the written permission of the Authority and the Council, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to

apply such proceeds to the payment of principal of and interest on the Series 2024 A Bonds. Any balance remaining after the payment of the Prior Bonds, the Series 2024 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with a professional Engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into such account by other provisions of this Resolution. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06 Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2024 A Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2024 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, and source of and security for payment from such revenues and in all other respects, to the Series 2024 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Resolution have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2024 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System or on the real property or personal property pledged for payment of the Series 2024 A Bonds and the interest thereon, if any, in this Resolution, or upon the System or any part thereof.

The Issuer shall give the Authority and the Council prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or the real property or personal property pledged to the repayment of the Series 2024 A Bonds or from any grants, for the Project or any other obligations related to the Project or the System.

Section 7.07 Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. In addition, no Parity Bonds, payable out of the revenues or the real property and personal property of the System, shall be issued after the issuance of the Series 2024 A Bonds pursuant to this Resolution, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2024 A Bonds.

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

No Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

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

The “estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years,” as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the

improvements to be financed by such Parity Bonds and any increase in rates adopted by the Issuer and approved in the manner required by then applicable law, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such Parity Bonds, and shall exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period herein above referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the time for appeal of which shall have expired (without successful appeal) 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 Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this 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 lien of the Series 2024 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2024 A Bonds.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this 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 the Parity Bonds, and the Issuer 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 Authority and the Council, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the Council, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Issuer shall keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this 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 and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. 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 Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Issuer shall direct.

The Issuer shall file with the Council, the Authority, or any other original purchaser of the Series 2024 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2024 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, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in accordance with 2 CFR 200 Subpart F (or any successor thereto), the Single Audit Act (or any successor thereto) and the laws of the State, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2024 A Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 2024 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement 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, subject to the rights of the Authority in the Series 2024 A Bonds Deed of Trust and Series 2024 A Bonds Security Agreement.

The Issuer shall permit the Authority and the Council, or their 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 Authority and the Council, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the Act.

Section 7.09 Rates. So long as the Prior Bonds are Outstanding, any requirement for rates set forth in the Prior Resolutions shall be met. Prior to the issuance of the Series 2024 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2024 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2024 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 2024 A Bonds Reserve Account and the reserve accounts for obligations on a parity with the Series 2024 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2024 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2024 A Bonds, including the Prior Bonds. In the event none of the Series 2024 A Bonds are Outstanding, the Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on all other obligations secured by a lien on and payable from the Gross Revenues on a parity, and sufficient to make the payments required herein into all

funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Gross Revenues for such purposes. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10 Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall within 30 days of adoption thereof mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the Council and to any Holder of any Bonds, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the Council and to any Holder of any Bonds, or anyone acting for and on behalf of such Holder of any Bonds.

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

Section 7.11 Engineering Services and Operating Personnel. The Issuer shall obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of 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 Authority and the Council, covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications, and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall

certify to the Authority, the Council and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

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

The Issuer will serve the additional customers at the location(s) as set forth in the Certificate of Engineer. The Issuer will not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Authority. Following competition of the Project, the Issuer will certify to the Authority the number of customers added to the System.

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

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

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

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

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

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to 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 any additions, extensions or improvements for the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

The Issuer shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided, that the amounts and terms of such coverage are satisfactory to the Authority and the Council. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear. 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 Public Service Commission of West Virginia, 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, Operation and Maintenance 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 shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2024 A Bonds are outstanding.

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2024 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18 Articles and Bylaws. The Issuer will not modify or amend its Articles of Incorporation or its Bylaws without the prior written consent of the Authority and the Council.

Section 7.19 Dissolution. The Issuer will not cause or permit any voluntary dissolution of the Issuer, merge or consolidate with any other organization, without obtaining the prior written consent of the Authority and the Council. In the event of a dissolution of the Issuer, all assets and property of the Issuer shall be distributed to any nonprofit organization organized and operated for the same purposes as the Issuer. The Issuer will not institute bankruptcy, insolvency or liquidation proceedings or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, without obtaining the prior written consent of the Authority and the Council

Section 7.20 Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the Council or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.21 Securities Laws Compliance. The Issuer shall provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.22 Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2024 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2024 A Bonds held in “contingency” as set forth in the schedule attached to the Certificate of Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2024 A Bonds made available due to bid or construction or project underruns.

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

D. Unless it qualifies for an exception, the Issuer shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the “West Virginia Jobs Act”) and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Issuer shall provide the Council and the Authority with a certificate stating that (I) the Issuer will comply with all the requirements of the West Virginia Jobs Act; (II) the Issuer has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Issuer has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor (“DOL”); and (IV) the Issuer will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Issuer is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

ARTICLE VIII INVESTMENT OF FUNDS; USE OF PROCEEDS

Section 8.01 Investments. Any monies 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, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Resolution, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission 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 investment or trust 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 2024 A Bonds are Outstanding.

Section 8.02 Certificate as to the Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2024 A Bonds as a condition to issuance of the Series 2024 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2024 A Bonds in order to maintain the status of the Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2024 A which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2024 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2024 A Bonds and any additional information requested by the Authority.

ARTICLE IX DEFAULT AND REMEDIES

Section 9.01 Events of Default. Each of the following events shall constitute an “Event of Default” with respect to the Series 2024 A Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest on Series 2024 A Bonds; or
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2024 A Bonds set forth in this Resolution, any supplemental resolution or in the Series 2024 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, or Paying Agent, or any other Paying Agent or a Holder thereof; or
- (3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America
- (4) If default occurs under the Series 2024 A Bonds Deed of Trust or the Series 2024 A Bonds Security Agreement; or
- (5) If default occurs with respect to the Prior Bonds or the Prior Resolution.

Section 9.02 Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of the Series 2024 A Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the 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 2024 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 thereof, (v) by action or bill in equity enjoin any acts in violation of the Resolution with respect to the Series 2024 A Bonds, or the rights of such Registered Owners; (vi) with respect to the Registered Owner(s) of the Series 2024 A Bonds, exercise its rights and remedies under the Series 2024 A Bonds Deed of Trust and/or Series 2024 A Bonds Security Agreement; provided that, all rights and remedies of the Holders of the Series 2024 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03 Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Resolution, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Resolution.

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Resolution for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this 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 default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01 Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2024 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of Gross Revenues and other monies and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2024 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, and the Authority shall release the Series 2024 A Bonds Deed of Trust and the Series 2024 A Bonds Security Agreement.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Amendment or Modification of Resolution. Prior to issuance of the Series 2024 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2024 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 2024 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2024 A Bonds so affected and then Outstanding. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications.

Section 11.02 Resolution Constitutes Contract. The provisions of the Resolution shall constitute a contract between the Issuer and the Registered Owners of the Bonds, and no change, variation or alteration of any kind of the provisions of the 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 should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2024 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.

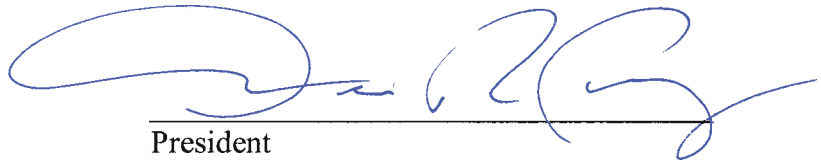
Section 11.05 Conflicting Provisions Repealed; Prior Resolution. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Resolution

and the Prior Resolution, the Prior Resolution shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.06 Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this 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 President, 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. The Governing Body has been authorized to adopt this Resolution and take all actions necessary to effectuate its intent by the members of the Issuer at a meeting duly held pursuant to proper notice thereof.

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

Adopted this 29th day of April, 2024.



President

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Board of Directors of the MT. HOPE WATER ASSOCIATION on the 29th day of April, 2024.

Dated: April 29, 2024.

[SEAL]

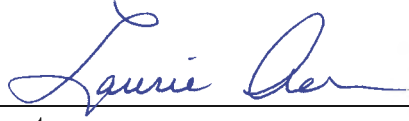

Secretary

EXHIBIT A
LOAN AGREEMENT

[SEE TRANSCRIPT DOCUMENT NO. 3]

**MT. HOPE WATER ASSOCIATION
WATER REVENUE BONDS, SERIES 2024 A
(WEST VIRGINIA INFRASTRUCTURE FUND)**

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2024 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE MT. HOPE WATER ASSOCIATION; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE 2024 A BONDS; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF THE SERIES 2024 A BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE SERIES 2023 A BONDS.

WHEREAS, the Board of Directors (the “Board”) of the Mt. Hope Water Association (the “Issuer”) has duly adopted a bond resolution on April 29, 2024 (the “Resolution”) entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING WATERWORKS FACILITIES OF THE MT. HOPE WATER ASSOCIATION (THE “ISSUER”) AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE ISSUER OF WATER REVENUE BONDS TO BE DESIGNATED “WATER REVENUE BONDS, SERIES 2024 A (WEST VIRGINIA INFRASTRUCTURE FUND)” IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN TWO MILLION DOLLARS (\$2,000,000); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH SERIES 2024 A BONDS; APPROVING, RATIFYING AND CONFIRMING CREDIT LINE DEED OF TRUST, SECURITY AGREEMENT AND OTHER DOCUMENTS AND INSTRUMENTS RELATING TO THE BONDS; AUTHORIZING THE SALE AND

PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance by the Issuer of its Water Revenue Bonds, Series 2024 A (West Virginia Infrastructure Fund), in an aggregate principal amount not to exceed \$2,000,000 (the "Series 2024 A Bonds" or the "Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Series 2024 A Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 31, Article 15A and Chapter 31E, Article 1 et seq. of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, in the Resolution it is provided that the form of the Loan Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Notes and the Bonds; and that other matters relating to Bonds be herein provided for; and

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

WHEREAS, the Series 2024 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement;

WHEREAS, the Board deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates, the sale prices and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Notes and the Bonds be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MT. HOPE WATER ASSOCIATION:

Section 1. Pursuant to the Resolution, there are hereby authorized and ordered to be issued as follows: Water Revenue Bonds, Series 2024 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$1,408,000. The Series 2024 A Bonds shall be dated the date of delivery thereof, shall finally mature on March 1, 2044, and shall bear interest at the rate of 3.0% per annum. The principal of and interest on the Series 2024 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2025, in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series

2024 A Bonds, The Series 2024 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement for the Series 2024 A Bonds, so long as the Authority shall be the registered owner of the Series 2024 A Bonds.

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 execution and delivery of the Series 2024 A Bonds Deed of Trust, the Series 2024 A Bonds Security Agreement, the Intercreditor Agreement, and such other instruments and documents as shall be necessary or desirable to effect the transaction contemplated herein, and the President of the Issuer (the "President") is hereby authorized and directed to execute such documents in the forms approved by the President, their execution thereof by the President being deemed conclusive of the President's approval of such forms, and no further approval by the Issuer is deemed necessary for such execution and delivery. The Issuer further authorizes and approves the filing of the UCC-1 financing statements relating to the Series 2024 A Bonds Deed of Trust and/or the Series 2024 A Bonds Security Agreement, and the recording of the Series 2024 A Bonds Deed of Trust, the Series 2024 A Bonds Security Agreement and the Intercreditor Agreement in the Office of the Clerk of the County Commission of Upshur County.

Section 4. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, including all schedules and exhibits attached thereto, copies of which are incorporated herein by reference, and the execution and delivery of the Loan Agreement by the President, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council and the Authority. The price of the Series 2024 A Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2024 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 5. The Issuer does hereby appoint and designate United Bank, Charleston, West Virginia, to serve as Registrar for the Series 2024 A Bonds under the Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2024 A Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the President, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 6. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2024 A Bonds under the Resolution.

Section 7. The Issuer does hereby appoint and designate Peoples Bank, Buckhannon, West Virginia, to serve as Depository Bank under the Resolution for the Bonds.

Section 8. Proceeds of the Series 2024 A Bonds in the amount of \$-0- shall be deposited in the Series 2024 A Bonds Sinking Fund, as capitalized interest. Proceeds of the Series 2024 A Bonds in the amount of \$-0- shall be deposited in the Series 2024 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2024 A Bonds, as advanced from time to time, shall be deposited in or credited to the Project Fund for payment of the costs of the acquisition and construction of the Project, including, without limitation, costs of issuance of the respective Bonds and related costs.

Section 10. The President, Secretary and other officers of the Issuer are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Resolution approved and provided for, to the end that, on or about May 8, 2024, the 2024 A Bonds may be delivered to the Authority pursuant to the Loan Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof with proceeds of the Bonds, are in the public interest and serve a public purpose of the Issuer.

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Resolution held by the Depository Bank until expended, in demand or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such demand or time accounts, until further directed in writing by the Issuer. Monies in the Series 2024 A Bonds Sinking Fund and the Series 2024 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

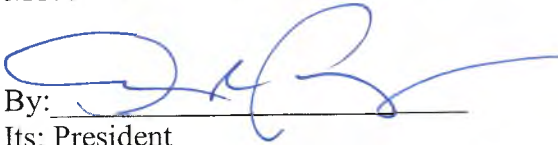
Section 13. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the President is hereby authorized and directed to execute and deliver all such contracts on behalf of the Issuer.

Section 14. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 29th day of April, 2024.

MT. HOPE WATER ASSOCIATION

By: 
Its: President

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Board of Directors of the Mt. Hope Water Association on the 29th day of April, 2024.

Dated: April 29, 2024.

MT. HOPE WATER ASSOCIATION

[SEAL]


Secretary

LOAN AGREEMENT

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

MT. HOPE WATER ASSOCIATION
(2023W-2372)

(Governmental Agency)

W I T N E S S E T H:

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

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

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a project, as defined by the Act, and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Governmental Agency;

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

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

WHEREAS, having reviewed the Application and made all findings required by the Act and having available sufficient funds therefor, the Council has authorized the Authority to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with money in the Infrastructure Fund, subject to the Governmental Agency's

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satisfaction of certain legal and other requirements of the Council's loan program (the "Program") as hereinafter set forth.

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

ARTICLE I

Definitions

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

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

1.3 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any qualified successor thereto; provided, however, when a Loan is made for a Project financed, in part, by the Office of Abandoned Mine Lands, "Consulting Engineers" shall mean the West Virginia Department of Environmental Protection, or any successor thereto.

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

1.5 "Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.6 "Local Act" means the official action of the Governmental Agency required by Section 4.1 hereof, authorizing the Local Bonds.

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

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

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

1.10 "Project" means the project hereinabove referred to, to be constructed or being constructed by the Governmental Agency in whole or in part with the net proceeds of the Local Bonds.

1.11 "System" means the project owned by the Governmental Agency, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

ARTICLE II The Project and the System

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

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

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

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

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

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

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

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

2.9 The Governmental Agency shall provide and maintain competent and adequate engineering services satisfactory to the Council and the Authority covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, the Council and the Governmental Agency at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

2.10 The Governmental Agency shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Governmental Agency shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of this Loan Agreement.

2.11 The Governmental Agency hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Council, the Authority or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

2.12 The Governmental Agency, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward a copy by the 10th of each month to the Authority and Council.

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

2.14 The Governmental Agency shall perform an annual maintenance audit which maintenance audit shall be submitted to the WDA and the Public Service Commission of West Virginia.

ARTICLE III Conditions to Loan; Issuance of Local Bonds

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

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

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

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

(d) The Governmental Agency shall have obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project,

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and the Authority and the Council shall have received a certificate of the Consulting Engineers to such effect;

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal, and the Authority and the Council shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority and the Council, to such effect;

(f) The Governmental Agency shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, including compliance with Chapter 21, Article 1D of the Code of West Virginia, 1931, as amended, and the Authority and the Council shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

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

(h) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and the Council shall have received a certificate of the accountant for the Governmental Agency, or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority and the Council, to such effect; and

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

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority, the Council or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Governmental

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

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

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

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Council for loans from the Infrastructure Fund to finance projects and that the obligation of the Authority to make any such loan is subject to the Council's authorization and the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Infrastructure Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available.

3.6 The Governmental Agency shall fund and maintain a working capital fund with a balance of not less than one eighth (1/8) of the Governmental Agency's actual annual operating and maintenance expenses. This fund is separate from and in addition to the renewal replacement fund required under Section 4.1(a)(iii) hereof.

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

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

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

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amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

(iii) That the Governmental Agency shall complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and the Council; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

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

(vii) That the Governmental Agency will not render any free services of the System;

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

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

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

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

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

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

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

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

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

(xvii) That, unless waived by the Authority the Governmental Agency shall authorize a sweep resolution so that monthly payments can be made to the Commission electronically. If waived by the Authority, the Governmental Agency shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Governmental Agency shall complete the Monthly Payment Form, attached hereto as Exhibit D and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

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

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

(xx) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached hereto as Exhibit A, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xxi) That the Governmental Agency shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore the services of the water facility until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Governmental Agency, then the Governmental Agency shall enter into a termination agreement with the water provider;

(xxii) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Local Bonds (as that term is defined in the Internal Revenue Code of 1986, as amended) from time to time as the Authority may request;

(xxiii) That the Governmental Agency shall submit all proposed change orders to the Council for written approval. The Governmental Agency shall obtain the written approval of the Council before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule B attached to the certificate of the Consulting Engineer. The Governmental Agency shall obtain the written approval of the Council before making any changes to the final Schedule B and also before expending any proceeds of the Local Bonds available due to bid/construction/project underruns;

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project; and

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Governmental Agency will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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

4.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the fees, charges and other revenues of the Governmental Agency from the System as further set forth by and subject only to such reservations and exceptions as are described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority and the Council.

4.3 The principal of the Loan shall be repaid by the Governmental Agency on the days and in the years provided in Schedule X hereto. Interest payments on the Loan shall be made by the Governmental Agency on a quarterly basis as provided in said Schedule X.

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

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

4.6 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the bonds which are the source of money used to purchase the Local Bonds, unless otherwise agreed to by the Council.

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

6.5 The Governmental Agency hereby agrees to file with the Authority and the Council upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule B to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII Miscellaneous

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

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

7.3 The Authority shall take all actions required by the Council in making and enforcing this Loan Agreement.

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

7.5 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other

instruments and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

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

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

7.8 The Authority acknowledges that certain terms and requirements in this Loan Agreement may not be applicable when the Project is financed in part by the West Virginia Department of Environmental Protection, Office of Abandoned Mine Lands and under that circumstance those terms and requirements are specifically waived or modified as agreed to by the Authority and set forth in the Local Act.

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

7.10 This Loan Agreement shall terminate upon the earlier of:

- (i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Council if the Governmental Agency has failed to deliver the Local Bonds to the Authority;
- (ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or
- (iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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

MT. HOPE WATER ASSOCIATION

(SEAL)

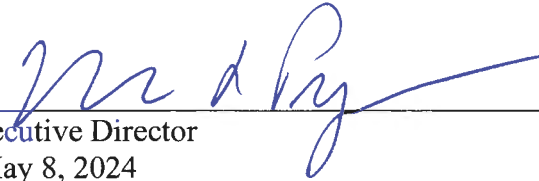
By: 
Its: President
Date: May 8, 2024

Attest:


Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

By: 
Its: Executive Director
Date: May 8, 2024

Attest:

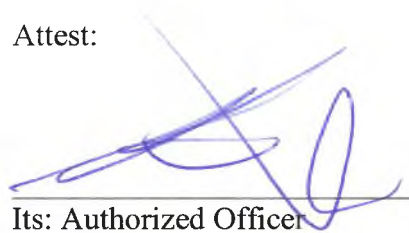

Its: Authorized Officer

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the schematic design for the Project began [before/after July 1, 2012], (iii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iv) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A, and my firm¹ has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies

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

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or binders and such bonds have been verified for accuracy; (v) the successful bidders 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 Council 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 operation of the System; (x) as of the effective date thereof², the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council; (xii) 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; and (xiii) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve _____ new customers in the _____ area.

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

[SEAL]

By: _____
West Virginia License No. _____

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

Name of Governmental Agency _____
Name of Bond Issue(s) _____
Type of Project _____ Water _____ Wastewater _____
Fiscal Year _____ Report Month _____

<u>Item</u>	<u>Current Month</u>	<u>Total Year To Date</u>	<u>Budget Year To Date</u>	<u>Budget Year To Date Minus Total Year To Date</u>
1. Gross Revenues	_____	_____	_____	_____
2. Operating Expenses	_____	_____	_____	_____
3. Bond Payments:				
<u>Type of Issue</u>	_____	_____	_____	_____
Clean Water SRF	_____	_____	_____	_____
Drinking Water TRF	_____	_____	_____	_____
Infrastructure Fund	_____	_____	_____	_____
Water Development Authority	_____	_____	_____	_____
Rural Utilities Service	_____	_____	_____	_____
Economic Development	_____	_____	_____	_____
Administration	_____	_____	_____	_____
Other (Identify)	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
4. Renewal and Replacement Fund Deposits	_____	_____	_____	_____

Name of Person Completing Form

Address

Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

The Governmental Agency must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of [Name of Governmental Agency] on [Date].

Sinking Fund:

Interest	\$	
Principal	\$	
Total:		\$
Reserve Account:		\$

Witness my signature this ____ day of _____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

A. Series A Bonds

Principal Amount of Local Bonds	\$1,408,000
Purchase Price of Local Bonds	\$1,408,000

The Local Bonds shall bear interest at a rate of 3% per annum. Commencing September 1, 2025, principal of and interest on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Governmental Agency shall authorize the Commission to electronically debit its monthly payments. The Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority.

The Local Bonds are fully registered in the name of the Authority as to interests and principal and the Local Bonds shall grant the Authority a first lien on the gross or net revenues of the Governmental Agency's system as provided in the Local Act.

The Governmental Agency may prepay the Local Bonds in full at any time at the price of par but only with the Council's written consent. The Governmental Agency shall request approval from the Authority and Council in writing of any proposed debt which will be issued by the Governmental Agency on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

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

- (1) Water Revenue Bonds (United States Department of Agriculture), Series 2001 A, dated February 8, 2001, issued in the original aggregate principal amount of \$2,399,000;
- (2) Water Revenue Bonds (United States Department of Agriculture), Series 2008 A, dated February 7, 2008, issued in the original aggregate principal amount of \$125,000; and
- (3) Water Revenue Bonds (United States Department of Agriculture), Series 2014 A, dated October 3, 2014, issued in the original aggregate principal amount of \$300,000.

Number of New Users: -0-

Location: Tallmansville area of Upshur County

SCHEDULE Y
DEBT SERVICE SCHEDULE

Bond Debt Service

Mt. Hope Water Association

IF

\$1,408,000

3.00% Interest Rate

20 Years

Dated

Date 5/8/2024

Delivery

Date 5/8/2024

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
9/1/2025	14,054	3.000%	10,560.00	24,614.00
12/1/2025	14,160	3.000%	10,454.60	24,614.60
3/1/2026	14,266	3.000%	10,348.40	24,614.40
6/1/2026	14,373	3.000%	10,241.40	24,614.40
9/1/2026	14,481	3.000%	10,133.60	24,614.60
12/1/2026	14,589	3.000%	10,025.00	24,614.00
3/1/2027	14,699	3.000%	9,915.58	24,614.58
6/1/2027	14,809	3.000%	9,805.34	24,614.34
9/1/2027	14,920	3.000%	9,694.27	24,614.27
12/1/2027	15,032	3.000%	9,582.37	24,614.37
3/1/2028	15,145	3.000%	9,469.63	24,614.63
6/1/2028	15,258	3.000%	9,356.04	24,614.04
9/1/2028	15,373	3.000%	9,241.61	24,614.61
12/1/2028	15,488	3.000%	9,126.31	24,614.31
3/1/2029	15,604	3.000%	9,010.15	24,614.15
6/1/2029	15,721	3.000%	8,893.12	24,614.12
9/1/2029	15,839	3.000%	8,775.21	24,614.21
12/1/2029	15,958	3.000%	8,656.42	24,614.42
3/1/2030	16,077	3.000%	8,536.73	24,613.73
6/1/2030	16,198	3.000%	8,416.16	24,614.16
9/1/2030	16,320	3.000%	8,294.67	24,614.67
12/1/2030	16,442	3.000%	8,172.27	24,614.27
3/1/2031	16,565	3.000%	8,048.96	24,613.96
6/1/2031	16,689	3.000%	7,924.72	24,613.72
9/1/2031	16,815	3.000%	7,799.55	24,614.55
12/1/2031	16,941	3.000%	7,673.44	24,614.44
3/1/2032	17,068	3.000%	7,546.38	24,614.38
6/1/2032	17,196	3.000%	7,418.37	24,614.37
9/1/2032	17,325	3.000%	7,289.40	24,614.40
12/1/2032	17,455	3.000%	7,159.46	24,614.46
3/1/2033	17,586	3.000%	7,028.55	24,614.55
6/1/2033	17,718	3.000%	6,896.66	24,614.66
9/1/2033	17,850	3.000%	6,763.77	24,613.77
12/1/2033	17,984	3.000%	6,629.90	24,613.90
3/1/2034	18,119	3.000%	6,495.02	24,614.02
6/1/2034	18,255	3.000%	6,359.12	24,614.12
9/1/2034	18,392	3.000%	6,222.21	24,614.21
12/1/2034	18,530	3.000%	6,084.27	24,614.27
3/1/2035	18,669	3.000%	5,945.30	24,614.30
6/1/2035	18,809	3.000%	5,805.28	24,614.28
9/1/2035	18,950	3.000%	5,664.21	24,614.21
12/1/2035	19,092	3.000%	5,522.09	24,614.09
3/1/2036	19,235	3.000%	5,378.90	24,613.90

Bond Debt Service
Mt. Hope Water Association
IF
\$1,408,000
3.00% Interest Rate
20 Years

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
6/1/2036	19,380	3.000%	5,234.63	24,614.63
9/1/2036	19,525	3.000%	5,089.28	24,614.28
12/1/2036	19,671	3.000%	4,942.85	24,613.85
3/1/2037	19,819	3.000%	4,795.31	24,614.31
6/1/2037	19,968	3.000%	4,646.67	24,614.67
9/1/2037	20,117	3.000%	4,496.91	24,613.91
12/1/2037	20,268	3.000%	4,346.03	24,614.03
3/1/2038	20,420	3.000%	4,194.02	24,614.02
6/1/2038	20,573	3.000%	4,040.87	24,613.87
9/1/2038	20,728	3.000%	3,886.58	24,614.58
12/1/2038	20,883	3.000%	3,731.12	24,614.12
3/1/2039	21,040	3.000%	3,574.49	24,614.49
6/1/2039	21,197	3.000%	3,416.69	24,613.69
9/1/2039	21,356	3.000%	3,257.72	24,613.72
12/1/2039	21,517	3.000%	3,097.55	24,614.55
3/1/2040	21,678	3.000%	2,936.17	24,614.17
6/1/2040	21,841	3.000%	2,773.58	24,614.58
9/1/2040	22,004	3.000%	2,609.78	24,613.78
12/1/2040	22,169	3.000%	2,444.75	24,613.75
3/1/2041	22,336	3.000%	2,278.48	24,614.48
6/1/2041	22,503	3.000%	2,110.96	24,613.96
9/1/2041	22,672	3.000%	1,942.19	24,614.19
12/1/2041	22,842	3.000%	1,772.15	24,614.15
3/1/2042	23,013	3.000%	1,600.83	24,613.83
6/1/2042	23,186	3.000%	1,428.23	24,614.23
9/1/2042	23,360	3.000%	1,254.34	24,614.34
12/1/2042	23,535	3.000%	1,079.14	24,614.14
3/1/2043	23,712	3.000%	902.63	24,614.63
6/1/2043	23,889	3.000%	724.79	24,613.79
9/1/2043	24,069	3.000%	545.62	24,614.62
12/1/2043	24,249	3.000%	365.10	24,614.10
3/1/2044	24,431	3.000%	183.23	24,614.23
	1,408,000		438,067.13	1,846,067.13

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SCHEDULE Z

(None)

SECURITY AGREEMENT

GRANTOR:

MT. HOPE WATER ASSOCIATION
1925 Tallmansville Road
Buckhannon, WV 26201

SECURED PARTY:

**WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY**
acting on behalf of the West Virginia
Infrastructure and Jobs Development
Council
1009 Bullitt Street
Charleston, WV 25301

THIS SECURITY AGREEMENT executed on or after and dated as of April 29, 2024, and effective as of the 8th day of May, 2024, between the **MT. HOPE WATER ASSOCIATION**, a West Virginia nonprofit corporation (referred to below as “Grantor”), and the **WEST VIRGINIA WATER DEVELOPMENT AUTHORITY**, acting on behalf of the West Virginia Infrastructure and Jobs Development Council (referred to below as “Lender”). For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the Indebtedness, on a parity as to liens, pledge and source of and security for payment with Grantor’s (i) Water Revenue Bonds (United States Department of Agriculture), Series 2001 A, dated February 8, 2001, issued in the original aggregate principal amount of \$2,399,000; (ii) Water Revenue Bonds (United States Department of Agriculture), Series 2008 A, dated February 7, 2008, issued in the original aggregate principal amount of \$125,000; and (iii) Water Revenue Bonds (United States Department of Agriculture), Series 2014 A, dated October 3, 2014, issued in the original aggregate principal amount of \$300,000 (collectively, the “Prior Bonds”), and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, subject to the rights of the holders of the Prior Bonds, in addition to all other rights which Lender may have by law.

I. DEFINITIONS. The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Accounts Receivable. The words “Accounts Receivable” means the money due from all customers and debtors of the Issuer.

Agreement. The word “Agreement” means this Security Agreement, as this Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Security Agreement from time to time.

Bonds. The words “Bonds” mean the Water Revenue Bonds, Series 2024 A (West Virginia Infrastructure Fund), dated May 8, 2024, and issued by the Grantor in the original aggregate principal amount of \$1,408,000.

Collateral. The word “Collateral” means, collectively, the Revenues and the Accounts Receivable of Grantor, whether now owned or hereafter acquired, whether now existing

or hereafter arising, and wherever located. In addition, the word "Collateral" includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

(a) All accessions, attachments, and accessories to any of the property described herein, whether added now or later.

(b) All increases, and additions to and all replacements of and substitutions for any property described herein.

(c) All products and produce of any of the property described herein.

(d) All accounts, general intangibles, instruments, payment intangibles, rents, monies, payments, and all other rights, arising out of a sale, lease, or other disposition of any of the property described herein.

(e) All proceeds (including insurance proceeds) from the sale or other disposition of any of the property described herein.

(f) All present and future records and data relating to any of the property described herein, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

Event of Default. The words "Event of Default" mean and include without limitation any of the Events of Default set forth below in the section titled "Events of Default."

Facilities. The word "Facilities" means the waterworks system, together with all appurtenances and related facilities, of the Grantor located in Upshur County, West Virginia.

Grantor. The word "Grantor" means the Mt. Hope Water Association, a West Virginia nonprofit corporation, its successors and assigns.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Bonds, including all principal and interest, together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. In addition, the word "Indebtedness" includes all other obligations, debts and liabilities, plus interest thereon, of Grantor, to Lender, as well as all claims by Lender against Grantor, whether existing now or later; whether they are voluntary or involuntary, due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated; whether Grantor may be liable individually or jointly with others; whether Grantor may be obligated as guarantor, surety, accommodation party or otherwise.

Intercreditor Agreement. The words "Intercreditor Agreement" mean that certain Intercreditor Agreement of even date herewith by and among the United States of America, acting by and through the United States Department of Agriculture, the West Virginia Water

Development Authority acting on behalf of the West Virginia Infrastructure and Jobs Development Council and Grantor relating to the Bonds and the Prior Bonds.

Lender. The word “Lender” means the West Virginia Water Development Authority, acting on behalf of the West Virginia Infrastructure and Jobs Development Council.

Prior Bonds. The words “Prior Bonds” mean, collectively, the Grantor’s (i) Water Revenue Bonds (United States Department of Agriculture), Series 2001 A, dated February 8, 2001, issued in the original aggregate principal amount of \$2,399,000; (ii) Water Revenue Bonds (United States Department of Agriculture), Series 2008 A, dated February 7, 2008, issued in the original aggregate principal amount of \$125,000; and (iii) Water Revenue Bonds (United States Department of Agriculture), Series 2014 A, dated October 3, 2014, issued in the original aggregate principal amount of \$300,000.

Prior Bonds Security Agreement. The words “Prior Bonds Security Agreement” mean, together, the Loan Agreement effective as of February 8, 2001, adopted by the Grantor, the Loan Agreement effective as of February 7, 2008, adopted by the Grantor, and the Loan Agreement effective as of August 19, 2013, adopted by the Grantor, all securing the Prior Bonds.

Related Documents. The words “Related Documents” mean and include without limitation all promissory notes, credit agreements, loan agreements, assignments, guaranties, security agreements, mortgages, deeds of trust, resolutions and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Revenues. The word “Revenues” means all receipts, revenues, income and other monies derived from or related to the Facilities and received by or on behalf of the Grantor relative to the Facilities and all rights to receive the same, in whatever form, or other rights and the proceeds thereof.

II. POSSESSION, ETC. AND RIGHT OF SETOFF. Grantor hereby grants Lender a contractual possessory security interest in and hereby assigns, conveys, delivers, pledges, and transfers all of Grantor's right, title and interest in and to all of Grantor's property that may be in the possession of the Lender at any time and from time to time, including, but not limited to, money, instruments, documents of title, chattel paper, certificates of deposit, and Grantor's deposit accounts with Lender (whether checking, savings, or some other type of deposit account), including all deposit accounts held jointly with someone else and all deposit accounts Grantor may open in the future, excluding, however, all IRA and Keogh accounts and all trust accounts for which the grant of a security interest or setoff would be prohibited by law. Grantor authorizes Lender to charge or setoff all Indebtedness against any and all such certificates of deposit and deposit accounts, without notice, upon the occurrence of an Event of Default.

III. OBLIGATIONS OF GRANTOR. Grantor warrants and covenants to Lender as follows:

1. Perfection of Security Interest. Grantor agrees to and authorizes Lender to execute, as needed, and file financing statements and to take whatever other actions are requested or desired by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing

or constituting the Collateral. Grantor hereby appoints Lender and any of its authorized officers as its irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect or to continue the security interest granted in this Agreement. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral. Grantor promptly will notify Lender before any change in Grantor's name including any change to the assumed business names of Grantor. This is a continuing Security Agreement and will continue in effect until the Indebtedness is paid in full.

2. No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement.

3. Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper or general intangibles, the Collateral is enforceable in accordance with its terms, is genuine, and complies with applicable laws concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor, for merchandise held subject to delivery instructions or theretofore shipped or delivered pursuant to a contract of sale, or for services theretofore performed by Grantor with or for the account debtor; there shall be no setoffs or counterclaims against any such account; and no agreement under which any deductions or discounts may be claimed shall have been made with the account debtor except those made by Grantor in the ordinary course of its business or disclosed to Lender in writing.

4. Location of the Collateral. Grantor, upon request of Lender, will deliver to Lender in form satisfactory to Lender a schedule of Collateral locations relating to Grantor's operations, including without limitation the following: (a) all storage facilities owned, rented, leased, or being used by Grantor; and (b) all other properties where Collateral is or may be located. Except in the ordinary course of its business, Grantor shall not remove the Collateral from its existing locations without the prior written consent of Lender.

5. Removal of Collateral. Grantor shall keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts, the records concerning the Collateral) at Grantor's address shown above, or at such other locations as agreed to in writing by Lender. Except in the ordinary course of its business, Grantor shall not remove the Collateral from its existing locations without the prior written consent of Lender.

6. Transactions Involving Collateral. Except for accounts collected in the ordinary course of Grantor's business, or Inventory sold in the ordinary course of Grantor's business, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement and the security interest provided for in the Prior Bonds Security Agreement,

which liens shall be on parity with the lien provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement or the Prior Bonds Security Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender. The foregoing is and shall be subject to the terms of the Intercreditor Agreement.

7. Title. Grantor represents and warrants to Lender that it holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement and the lien created by the Prior Bonds Security Agreement, which lien shall be on parity with the lien provided for in this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement, the Prior Bonds Security Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

8. Collateral Schedules and Locations. As often as Lender shall reasonably require, and insofar as the Collateral consists of accounts and general intangibles, Grantor shall deliver to Lender schedules of such Collateral, including such information as Lender may reasonably require. Such information shall be submitted for Grantor and each of its subsidiaries or related companies, if any.

9. Maintenance and Inspection of Collateral. Grantor shall maintain all tangible Collateral, if any, in good condition and repair. Grantor will not commit or permit damage to or destruction of the Collateral or any part of the Collateral. Lender and its designated representatives and agents shall have the right at all reasonable times to examine, inspect, and audit the Collateral wherever located. Grantor shall immediately notify Lender of all cases involving the return, rejection, repossession, loss or damage of or to any Collateral; of any request for credit or adjustment or of any other dispute arising with respect to the Collateral; and generally of all happenings and events affecting the Collateral or the value or the amount of the Collateral.

10. Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes or bond or bonds evidencing the Indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

11. Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, as long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

12. Principal Place of Business. The principal place of business and chief executive office of the Mt. Hope Water Association is 1925 Tallmansville Road, Buckhannon, WV 26201. Grantor is a West Virginia nonprofit corporation, duly organized and validly existing pursuant to the laws of the State of West Virginia. The Grantor shall advise the Lender within thirty (30) days of any new facts which, under applicable provisions of the law, would affect the priority of the security interest granted to the Lender by this instrument. Upon default, the Lender may at any time in its discretion notify all obligees on accounts to make payments thereon directly to the Lender.

IV. RIGHT TO POSSESSION. Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral or is one method of perfection of its interest in the Collateral. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

V. EXPENDITURES BY LENDER. If not discharged or paid when due, Lender may (but shall not be obligated to) discharge or pay any amounts required to be discharged or paid by Grantor under this Agreement, including without limitation all taxes, liens, security interests, encumbrances, and other claims, at any time levied or placed on the Collateral. Lender also may (but shall not be obligated to) pay all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the of six percent (6%) per annum from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses shall become a part of the Indebtedness and, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Bonds and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Bonds, or (c) be treated as a balloon payment which will be due and payable at the Bonds' maturity. This Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of an Event of Default.

VI. EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

1. Default on Indebtedness. Failure of Grantor to make any payment within ten (10) days of when due on the Indebtedness.

2. Other Defaults. Failure of Grantor to keep any written promise Grantor has made to Lender, failure of Grantor to comply with or to perform when due any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents, or failure of Grantor to comply with or to perform any other material term, obligation, covenant or condition contained in any other agreement between Lender and Grantor, or the occurrence of any Event of Default under any such agreement or Related Document.

3. Default in Favor of Third Parties. The default by Grantor under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person, that may affect, in the sole opinion of Lender, any of Grantor's property or Grantor's ability to repay the Bonds or perform its obligations under this Agreement or any of the Related Documents.

4. False Statements. Any warranty, representation or statement made or furnished to Lender by or on behalf of or by Grantor under this Agreement or the Related Documents is false or misleading in any material respect either now or at the time made or furnished, or becomes false or misleading at any time thereafter.

5. Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any Security Agreement to create a valid and perfected security interest or lien) at any time and for any reason.

6. Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

7. Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against Grantor or the Collateral or any other collateral securing the Indebtedness. This includes a garnishment, attachment, or levy of any of Grantor's property with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in a reasonable amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for dispute.

8. Adverse Change. Any material adverse change occurs in Grantor's financial condition, or Lender reasonably believes the prospect of payment of the Indebtedness or performance of any of the Grantor's obligations under the Related Documents is impaired.

9. Organization. Any action by Grantor's members to wind-up the affairs of Grantor and dissolve Grantor or any action by Grantor to merge or consolidate Grantor with a third party.

10. Chronic Events of Default. The occurrence, in any twelve (12) month period, of three (3) Events of Default each which are cured within the applicable cure period.

11. Other Events of Default. The occurrence of any event of default set forth in any of the Related Documents.

VII. RIGHT TO CURE. Any default, other than a default on Indebtedness or Chronic Event of Default, may be cured (and no Event of Default will have occurred) if Grantor, as the case may be, after receiving written notice from Lender demanding cure of such default: (i) cures the default within ten (10) days; or (ii) if the cure requires more than ten (10) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

VIII. RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the West Virginia Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

1. Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice.

2. Assemble Collateral. If applicable, Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral, if applicable, and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

3. Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in its own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor reasonable notice of the time after which any private sale or any other intended disposition of the Collateral is to be made. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the rate applicable to each of the Bonds from date of expenditure until repaid.

4. Appoint Receiver. To the extent permitted by applicable law, Lender shall have the following rights and remedies regarding the appointment of a receiver: (a) Lender may have a receiver appointed as a matter of right, (b) the receiver may be an employee of Lender and may serve without bond, and (c) all fees of the receiver and his or her attorney shall become part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the rate applicable to each of the Bonds from date of expenditure until repaid.

5. Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in its discretion transfer any Collateral into its own name or that of its nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, health care insurance receivables, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender. The rights and remedies granted to Lender in this paragraph are in addition to and in no way limit the rights and duties of the parties set forth in the paragraphs above titled "Right to Possession" and "Collection of Accounts."

6. Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

7. Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

8. Cumulative Remedies. All of Lender's rights and remedies, whether evidenced by this Agreement or the Related Documents or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and to exercise its remedies.

IX. MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

1. **Amendments.** This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

2. **Applicable Law.** This Agreement has been delivered to Lender and accepted by Lender in the State of West Virginia. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of the State of West Virginia. This Agreement shall be governed by and construed in accordance with the laws of the State of West Virginia unless another State's laws must apply.

3. **Attorneys' Fees; Expenses.** Grantor agrees to pay upon demand all of Lender's reasonable costs and expenses, including reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Grantor shall pay the reasonable costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

4. **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

5. **Notices.** All notices required to be given under this Agreement shall be given in writing, may be sent by telefacsimile, and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one Grantor, Notice to any Grantor will constitute notice to all Grantors. For notice purposes, Grantor will keep Lender informed at all times of Grantor's current address(es).

6. **Power of Attorney.** Grantor hereby appoints Lender as its true and lawful attorney-in-fact, irrevocably, with full power of substitution to do the following upon the occurrence of an Event of Default: (a) to demand, collect, receive, receipt for, sue and recover all sums of money or other property which may now or hereafter becomes due, owing or payable from the Collateral; (b) to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment for the Collateral; (c) to settle or compromise any and all claims arising under the Collateral, and, in the place and stead of Grantor, to execute and deliver its release and settlement for the claim; and (d) to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Grantor, or otherwise, which in the discretion of Lender may seem to be necessary or advisable. This power

is given as security for the Indebtedness, and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Lender.

7. Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

8. Successor Interests. Subject to the limitations set forth above on transfer of the Collateral, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

9. Waiver. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

10. Applicability. Each agreement, representation, warranty, and provision hereof shall be binding on each and every Grantor, singularly and collectively.

11. Inconsistency. To the extent that this Security Agreement is inconsistent or in conflict with any other agreement or assignment between the parties, the terms of this instrument shall govern.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS SECURITY AGREEMENT, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

MT. HOPE WATER ASSOCIATION

By: 
Its: President

LENDER:

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY, a West Virginia public corporation,
Acting on Behalf of WEST VIRGINIA
INFRASTRUCTURE AND JOBS
DEVELOPMENT COUNCIL

By: 
Its: Executive Director

Prepared by: Sammie Gee
Jackson Kelly PLLC
500 Lee Street
Suite 1100
Charleston, WV 25301

STATE OF WEST VIRGINIA

COUNTY OF UPSHUR, TO-WIT:

I, Nicholas T. Cutright, a notary public of said county, do certify that Dennie Tenney, the President of the MT. HOPE WATER ASSOCIATION, a West Virginia nonprofit corporation, who signed the writing hereto annexed, has this day in my said county, before me, acknowledged the same to be the act of said corporation.

Given under my hand this 29th day of April, 2024.

My commission expires: JANUARY 29, 2026

(NOTARIAL SEAL)

Nicholas T. Cutright
Notary Public

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
Nicholas Tyler Cutright
PO Box 2002 Buckhannon WV 26201
My Commission Expires January 29, 2026

STATE OF WEST VIRGINIA

COUNTY OF KANAWHA, TO-WIT:

I, _____, a notary public of said county, do certify that Marie Prezioso, the Executive Director of the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a West Virginia public corporation, Acting on Behalf of WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL, an agency of the United States of America, who signed the writing hereto annexed, has this day in my said county, before me, acknowledged the same to be the act of said agency.

Given under my hand this ____ day of ~~May~~, 2024.

My commission expires: _____

MT HOPE WATER ASSOCIATION
WATER REVENUE BONDS
SERIES 2024 A (WEST VIRGINIA INFRASTRUCTURE FUND)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On the 8th day of May, 2024, the undersigned authorized representative of the West Virginia Water Development Authority (the “Authority”), for and on behalf of the Authority, and the undersigned President of the Mt. Hope Water Association (the “Issuer”), for and on behalf of the Issuer, hereby certify as follows:

1. On the 8th day of May, 2024, the Authority received the Water Revenue Bonds, Series 2024 A (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of \$1,408,000, numbered AR-1 (the “Series 2024 A Bonds”) issued as a single, fully registered Bond, and dated May 8, 2024.

2. At the time of such receipt, all the Series 2024 A Bonds had been executed by the President and the Secretary of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2024 A Bonds, of \$24,400.00, being a portion of the principal amount of the Series 2024 A Bonds. The balance of the principal amount of the Series 2024 A Bonds will be advanced by the Authority and the West Virginia Infrastructure and Jobs Development Council to the Issuer as acquisition and construction of the Project progresses.

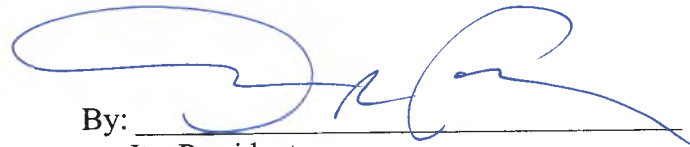
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Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: 
Its: Authorized Representative

MT. HOPE WATER ASSOCIATION


By: _____
Its: President

AR-1

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MT. HOPE WATER ASSOCIATION
WATER REVENUE BOND, SERIES 2024 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$1,408,000

KNOW ALL MEN BY THESE PRESENTS: That the MT. HOPE WATER ASSOCIATION, a West Virginia non-stock, nonprofit corporation in Upshur County, West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE "Authority") or registered assigns the sum of ONE MILLION FOUR HUNDRED EIGHT THOUSAND DOLLARS (\$1,408,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2025, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest at the rate of 3.0% per annum payable in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2025, to and including March 1, 2044, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated May 8, 2024.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing waterworks facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing waterworks facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 31, Article 15A and Chapter 31E, Article 1 et seq. of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on April 29, 2024, and a Supplemental Resolution duly adopted by the Issuer on April 29, 2024 (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

NUMBER
SPECIMEN

bonds would be entitled to be paid ~~and secured equally~~ and ratably from and by the funds and revenues and other security provided for the Bonds under the 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 (UNITED STATES DEPARTMENT OF AGRICULTURE), SERIES 2001 A, DATED FEBRUARY 8, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,399,000; (2) WATER REVENUE BONDS (UNITED STATES DEPARTMENT OF AGRICULTURE), SERIES 2008 A, DATED FEBRUARY 7, 2008, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$125,000; AND (3) WATER REVENUE BONDS (UNITED STATES DEPARTMENT OF AGRICULTURE), SERIES 2014 A, DATED OCTOBER 3, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$300,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Resolution) to be derived from the operation of the System and accounts receivable of the Issuer, and a lien on the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Prior Bonds and the Series 2024 A Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2024 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Pursuant to the Series 2024 A Bonds Deed of Trust (as defined in the Resolution) and the Series 2024 A Bonds Security Agreement (as defined in the Resolution), the Issuer has granted a security interest in the Gross Revenues and accounts receivable of the Issuer, and the System. Pursuant to the Intercreditor Agreement (as defined in the Resolution), the Issuer and holder of the Prior Bonds have agreed to parity as to their lien and security interest as to such property securing repayment of the Series 2024 A Bonds and the Prior Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. 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 payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2024 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor the percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Resolution. Remedies provided the registered owners of the Bonds are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of United Bank, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing,

NUMBER
AR-1
SPECIMEN

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

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross 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 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.

IN WITNESS WHEREOF, the MT. HOPE WATER ASSOCIATION has caused this Bond to be signed by its President and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated May 8, 2024.

[SEAL]


President

ATTEST:


Secretary

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(Form of)
CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2024 A Bond described in the within-mentioned Resolution and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: May 8, 2024

UNITED BANK, as Registrar



Authorized Officer

AR-1
SPECIMEN
EXHIBIT A

RECORD OF ADVANCES

	<u>AMOUNT</u>	<u>DATE</u>
(1)	\$24,400.00	May 8, 2024
(2)	\$	
(3)	\$	
(4)	\$	
(5)	\$	
(6)	\$	
(7)	\$	
(8)	\$	
(9)	\$	
(10)	\$	
(11)	\$	
(12)	\$	
(13)	\$	
(14)	\$	
(15)	\$	
(16)	\$	
(17)	\$	
(18)	\$	
(19)	\$	
(20)	\$	
(21)	\$	
(22)	\$	
(23)	\$	
(24)	\$	
(25)	\$	
(26)	\$	
(27)	\$	
(28)	\$	
(29)	\$	
(30)	\$	
(31)	\$	
(32)	\$	
(33)	\$	
(34)	\$	
(35)	\$	
	TOTAL	\$

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SPECIMEN

EXHIBIT B

DEBT SERVICE SCHEDULE

Bond Debt Service

Mt. Hope Water Association

IF

\$1,408,000

3.00% Interest Rate

20 Years

Dated

Date

5/8/2024

Delivery

Date

5/8/2024

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
9/1/2025	14,054	3.000%	10,560.00	24,614.00
12/1/2025	14,160	3.000%	10,454.60	24,614.60
3/1/2026	14,266	3.000%	10,348.40	24,614.40
6/1/2026	14,373	3.000%	10,241.40	24,614.40
9/1/2026	14,481	3.000%	10,133.60	24,614.60
12/1/2026	14,589	3.000%	10,025.00	24,614.00
3/1/2027	14,699	3.000%	9,915.58	24,614.58
6/1/2027	14,809	3.000%	9,805.34	24,614.34
9/1/2027	14,920	3.000%	9,694.27	24,614.27
12/1/2027	15,032	3.000%	9,582.37	24,614.37
3/1/2028	15,145	3.000%	9,469.63	24,614.63
6/1/2028	15,258	3.000%	9,356.04	24,614.04
9/1/2028	15,373	3.000%	9,241.61	24,614.61
12/1/2028	15,488	3.000%	9,126.31	24,614.31
3/1/2029	15,604	3.000%	9,010.15	24,614.15
6/1/2029	15,721	3.000%	8,893.12	24,614.12
9/1/2029	15,839	3.000%	8,775.21	24,614.21
12/1/2029	15,958	3.000%	8,656.42	24,614.42
3/1/2030	16,077	3.000%	8,536.73	24,613.73
6/1/2030	16,198	3.000%	8,416.16	24,614.16
9/1/2030	16,320	3.000%	8,294.67	24,614.67
12/1/2030	16,442	3.000%	8,172.27	24,614.27
3/1/2031	16,565	3.000%	8,048.96	24,613.96
6/1/2031	16,689	3.000%	7,924.72	24,613.72
9/1/2031	16,815	3.000%	7,799.55	24,614.55
12/1/2031	16,941	3.000%	7,673.44	24,614.44
3/1/2032	17,068	3.000%	7,546.38	24,614.38
6/1/2032	17,196	3.000%	7,418.37	24,614.37
9/1/2032	17,325	3.000%	7,289.40	24,614.40
12/1/2032	17,455	3.000%	7,159.46	24,614.46
3/1/2033	17,586	3.000%	7,028.55	24,614.55
6/1/2033	17,718	3.000%	6,896.66	24,614.66
9/1/2033	17,850	3.000%	6,763.77	24,613.77
12/1/2033	17,984	3.000%	6,629.90	24,613.90
3/1/2034	18,119	3.000%	6,495.02	24,614.02
6/1/2034	18,255	3.000%	6,359.12	24,614.12
9/1/2034	18,392	3.000%	6,222.21	24,614.21
12/1/2034	18,530	3.000%	6,084.27	24,614.27
3/1/2035	18,669	3.000%	5,945.30	24,614.30
6/1/2035	18,809	3.000%	5,805.28	24,614.28
9/1/2035	18,950	3.000%	5,664.21	24,614.21
12/1/2035	19,092	3.000%	5,522.09	24,614.09
3/1/2036	19,235	3.000%	5,378.90	24,613.90

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SPECIMEN

Bond Debt Service
Mt. Hope Water Association
IF
\$1,408,000
3.00% Interest Rate
20 Years

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
6/1/2036	19,380	3.000%	5,234.63	24,614.63
9/1/2036	19,525	3.000%	5,089.28	24,614.28
12/1/2036	19,671	3.000%	4,942.85	24,613.85
3/1/2037	19,819	3.000%	4,795.31	24,614.31
6/1/2037	19,968	3.000%	4,646.67	24,614.67
9/1/2037	20,117	3.000%	4,496.91	24,613.91
12/1/2037	20,268	3.000%	4,346.03	24,614.03
3/1/2038	20,420	3.000%	4,194.02	24,614.02
6/1/2038	20,573	3.000%	4,040.87	24,613.87
9/1/2038	20,728	3.000%	3,886.58	24,614.58
12/1/2038	20,883	3.000%	3,731.12	24,614.12
3/1/2039	21,040	3.000%	3,574.49	24,614.49
6/1/2039	21,197	3.000%	3,416.69	24,613.69
9/1/2039	21,356	3.000%	3,257.72	24,613.72
12/1/2039	21,517	3.000%	3,097.55	24,614.55
3/1/2040	21,678	3.000%	2,936.17	24,614.17
6/1/2040	21,841	3.000%	2,773.58	24,614.58
9/1/2040	22,004	3.000%	2,609.78	24,613.78
12/1/2040	22,169	3.000%	2,444.75	24,613.75
3/1/2041	22,336	3.000%	2,278.48	24,614.48
6/1/2041	22,503	3.000%	2,110.96	24,613.96
9/1/2041	22,672	3.000%	1,942.19	24,614.19
12/1/2041	22,842	3.000%	1,772.15	24,614.15
3/1/2042	23,013	3.000%	1,600.83	24,613.83
6/1/2042	23,186	3.000%	1,428.23	24,614.23
9/1/2042	23,360	3.000%	1,254.34	24,614.34
12/1/2042	23,535	3.000%	1,079.14	24,614.14
3/1/2043	23,712	3.000%	902.63	24,614.63
6/1/2043	23,889	3.000%	724.79	24,613.79
9/1/2043	24,069	3.000%	545.62	24,614.62
12/1/2043	24,249	3.000%	365.10	24,614.10
3/1/2044	24,431	3.000%	183.23	24,614.23
	1,408,000		438,067.13	1,846,067.13

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:

May 8, 2024

Mt. Hope Water Association
Buckhannon, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: Mt. Hope Water Association
Water Revenue Bonds, Series 2024 A
(West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We have served as bond counsel to Mt. Hope Water Association (the “Issuer”) in connection with the issuance of its Water Revenue Bonds, Series 2024 A (West Virginia Infrastructure Fund), dated the date hereof (the “Bonds”).

We have examined certified copies of proceedings and other papers relating to the authorization of (i) a loan agreement for the Bonds, dated May 8, 2024, including all schedules and exhibits attached thereto (the “Loan Agreement”), by and between the Issuer and the West Virginia Water Development Authority (the “Authority”), on behalf of the West Virginia Infrastructure and Jobs Development Council (the “Council”), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are issued in the principal amount of \$1,408,000, in the form of one bond, registered as to principal only to the Authority, bearing interest at a rate of 3.0% per annum, with principal and interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2025, all as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Bonds.

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 31, Article 15A and Chapter 31E, Article 1 of the Code of West Virginia, 1931, as amended (collectively, the “Act”), 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”); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and a Bond Resolution duly adopted by the Issuer on April 29, 2024, as supplemented by a Supplemental Resolution duly adopted by the Issuer on April 29, 2024 (collectively, the "Resolution"), pursuant to and under which Act and Resolution the Bonds are authorized and issued, and the Loan Agreement is entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Resolution and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing non-stock nonprofit corporation 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 sell the Bonds, all under the Act and other applicable provisions of law.

2. The Loan Agreement, the Series 2024 A Bonds Deed of Trust and the Series 2024 A Bonds Security Agreement have been duly authorized by and executed on behalf of the Issuer and are valid and binding special obligations of the Issuer, enforceable in accordance with the terms thereof.

3. The Loan Agreement, the Series 2024 A Bonds Deed of Trust and the Series 2024 A Bonds Security Agreement inure to the benefit of the Authority and the Council and cannot be amended so as to affect adversely the rights of the Authority and the Council or diminish the obligations of the Issuer, without the written consent of the Authority and the Council.

4. 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 its terms thereof and contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and a pledge of the Gross 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.

6. Under the Act, the Bonds and the interest, if any, thereon are exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

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

8. The Series 2024 A Bonds Deed of Trust is in appropriate form for recordation in the Office of the Clerk of the County Commission of Upshur County, West Virginia, and is effective to create the lien and security interest it purports to create in the property covered thereby, on a parity with the lien of the deeds of trust of the Prior Bonds. The Series 2024 A Bonds Deed of Trust and Intercreditor Agreement have been duly recorded in the Office of the Clerk of the County Commission of Upshur County, West Virginia.

9. The Series 2024 A Security Agreement is effective to create the lien it purports to create in the property covered thereby, and upon filing and acceptance of the Financing Statement in the Office of the Secretary of State of West Virginia and payment of all applicable filing fees, and properly indexed pursuant to the Uniform Commercial Code of West Virginia (the "WV UCC"), such filing will result in the perfection of the security interest in the personal property granted in favor of Authority in the Series 2024 A Security Agreement, on a parity with the security interest under the Prior Bonds, which is subject to Article 9 of the WV UCC, but only to the extent that such security interest can be perfected by filing in the Office of the Secretary of State of West Virginia under the WV UCC.

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

Very truly yours,

A handwritten signature in blue ink that reads "Jackson Kelly PLLC". The signature is written in a cursive, flowing style.

LAW OFFICES
West & Jones

DEAN C. RAMSEY, PLLC
NORMAN T. FARLEY
JOHN C. ASHCOM, JR

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May 8, 2024

Mt. Hope Water Association
Buckhannon, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

Re: Mt. Hope Water Association
Water Revenue Bonds
Series 2024 A (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

The law firm of West & Jones and the undersigned are counsel to the Mt. Hope Water Association (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 (the "Bonds"), a loan agreement for the Bonds, dated May 8, 2024, including all schedules and exhibits attached thereto (the "Loan Agreement"), a Bond Resolution duly adopted by the Board of Directors of the Issuer (the "Board") on April 29, 2024, as supplemented by a Supplemental Resolution duly adopted on April 29, 2024 (collectively, the "Resolution"), resolutions and minutes of the Mt. Hope Water Association Board relating to the election of members of the Board, 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.

Based on the foregoing, we are of the opinion, under existing law, that:

1. The Issuer is a duly created and validly existing water association and is a non-stock nonprofit corporation of the State of West Virginia, located in Upshur County, 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 officers of the Association have been duly and properly 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, the Series 2024 A Bonds Deed of Trust and the Series 2024 A Bonds Security Agreement have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitute valid and binding agreements of the Issuer, enforceable in accordance with the terms thereof.

5. To the best of our knowledge, execution and delivery of the Bonds, the Loan Agreement, the Series 2024 A Bonds Deed of Trust and the Series 2024 A Bonds Security Agreement, and the consummation of the transactions contemplated by the Bonds, the Loan Agreement, the Series 2024 A Bonds Deed of Trust, the Series 2024 A Bonds Security 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 applicable 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 use of the System, including, without limitation, all requisite permits, approvals, orders and certificates from the West Virginia Department of Environmental Protection 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.

7. The Issuer has duly published the required notice with respect to, among other things, the amount of the Bonds to be issued, the interest rate and terms of the Bonds, the Project to be acquired or constructed and the cost of the Project, the anticipated user rates and charges and the date that a formal application for a certificate of public

Mt. Hope Water Association
West Virginia Infrastructure and Jobs Development Council
West Virginia Water Development Authority
Jackson Kelly PLLC
May 8, 2024
Page 3

convenience and necessity is to be filed with the PSC in accordance with Chapter 24, Article 2, Section 11 of the Code of West Virginia, 1931, as amended, and has duly complied with the provisions thereof.

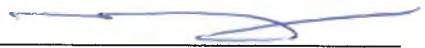
8. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds and the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

9. 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, Article 1D, Chapter 21 of the West Virginia Code, 1931, as amended. All successful bidders have made the required provisions for all insurance and payment and performance bonds and such bonds and applicable Certificates of Insurance for such insurance 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) appear to have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act and the Resolution; and (5) to the best of our knowledge 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.

Sincerely yours,

WEST & JONES

By: 
Norman T. Farley

NTF:tdh

MT. HOPE WATER ASSOCIATION
WATER REVENUE BONDS
SERIES 2024 A (WEST VIRGINIA INFRASTRUCTURE FUND)

CERTIFICATE OF CONSULTING ENGINEER

On this 8th day of May, 2024, I, Paul A. Hornor III, Registered Professional Engineer, West Virginia License No. 010281, of Hornor Brothers Engineers, Clarksburg, West Virginia, hereby certify as follows:

1. Hornor Brothers Engineers 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 Mt. Hope Water Association (the "Issuer"), to be constructed primarily in Upshur 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 April 29, 2024 and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated May 8, 2024 (the "Loan Agreement").

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by Hornor Brothers Engineers and approved by the West Virginia Bureau of Public Health, and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the schematic design for the Project began after July 1, 2012 (iii) the Project, as designed, is adequate for its intended purpose and when constructed, in our professional opinion, has an anticipated useful life of at least 20 years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iv) 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 Schedule B attached hereto as Exhibit A, and in reliance upon the opinion of Issuer's counsel, Norm Farley, Esquire, of West & Jones, of even date hereof, all successful bidders have made all required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (v) the successful bidders acknowledged receipt of all addenda to the original bid documents; (vi) the bid documents relating to the Project reflect the Project as approved by the Council 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

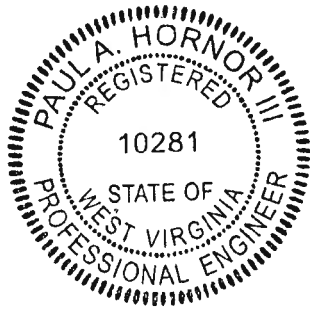
permits required by the laws of the State of West Virginia necessary for the acquisition and construction of the Project and operation of the System; (x) in reliance upon the certificate of Zack Dobbins, CPA, of Bennett and Dobbins, PLLC, of even date herewith, as of the effective date thereof, the rates 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 other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council; (xii) 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; and (xiii) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve no new customers in Upshur County.

[Remainder of page intentionally left blank]

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

[SEAL]



A handwritten signature in blue ink that reads "Paul A. Hornor III". The signature is written over a horizontal line.

HORNOR BROTHERS ENGINEERS

Paul A. Hornor III, P.E.

West Virginia License No. 010281



Bennett & Dobbins PLLC

CERTIFIED PUBLIC ACCOUNTANTS

317 Cleveland Avenue
Fairmont, WV 26554-1604

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

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

CERTIFICATE OF CERTIFIED PUBLIC ACCOUNTANT

May 8, 2024

\$1,408,000

MT. HOPE WATER ASSOCIATION

WATER REVENUE BONDS

SERIES 2024 A (WEST VIRGINIA INFRASTRUCTURE FUND)

Mt. Hope Water Association
Buckhannon, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

United States Department of Agriculture
Morgantown, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

Re: CPA Certificate

Ladies and Gentlemen:

I have reviewed the unappealable water rates of Mt. Hope Water Association (the "Issuer") approved by the Public Service Commission of West Virginia (the "PSC") by Final Order issued on January 7, 2024, in Case No. 23-0762-W-CN (which rates will become effective upon substantial completion of the proposed project), and the projected operating expenses and anticipated customer usage provided by Hornor Brothers Engineers, 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 (United States Department of Agriculture), Series 2001 A, dated February 8, 2001, issued in the original aggregate principal amount of \$2,399,000; (ii) Water Revenue Bonds (United States Department of Agriculture), Series 2008 A, dated February

Mt. Hope Water Association
West Virginia Water Development Authority
West Virginia Infrastructure and Jobs Development Council
United States Department of Agriculture
Jackson Kelly PLLC
May 8, 2024
Page - 2 -

7, 2008, issued in the original aggregate principal amount of \$125,000; and (iii) Water Revenue Bonds (United States Department of Agriculture), Series 2014 A, dated October 3, 2014, issued in the original aggregate principal amount of \$300,000, (collectively the "Prior Bonds"); and the Water Revenue Bonds (West Virginia Infrastructure Fund) Series 2024 A, issued in the original aggregate principal amount of \$1,408,000 (the "Series 2024 A Bonds").

It is further my opinion that (i) the Net Revenues for the fiscal year following the year in which the Series 2024 A Bonds are to be issued will be at least 115% of the average annual debt service requirements on the Prior Bonds and Series 2024 A Bonds; and (ii) the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of the Series 2024 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2024 A Bonds, will not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for principal of and interest on the Prior Bonds and the Series 2024 A Bonds.

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

The Renewal and Replacement Fund required by the Prior Resolutions is established and the rates and charges for the System have been established which are sufficient to make the required deposits in the Renewal and Replacement Fund; and

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

Very truly yours,

Bennett & Dobbins PLLC

Bennett & Dobbins PLLC



September 6, 2023

Mt. Hope Water Association
Attention: Laurie Adams
1925 Tallmansville Rd
Buckhannon, WV 26201

Re: Mt. Hope Water Association
Water Project 2023W-2372
Approval of Binding Commitment
Action Required by September 6, 2024

Dear Laurie Adams:

At its September 6, 2023, meeting, the West Virginia Infrastructure and Jobs Development Council (Council) voted to provide this binding offer of a \$1,408,000 IJDC Loan binding commitment for the above-named project (Project) Council meeting. The Loan will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan amount will be established after the Sponsor has received acceptable bids for the Project. The Council will set aside a portion of the Infrastructure Fund to make the Loan upon the Sponsor's compliance with the program requirements.

Please know that your project cannot proceed to receive bid authorization until you return a signed copy of this letter to our office. Additionally, it is a violation of Council policy that projects bid without first obtaining permission to advertise for bids from the IJDC executive director. A bid authorization letter will be issued by the executive director when the project has satisfied all IJDC requirements necessary to bid.

This binding commitment shall expire on **September 6, 2024**. Please acknowledge receipt by completing and returning the attached form. If the Sponsor has any questions regarding this commitment, please contact Wayne Morgan, Executive Director, at (304) 414-6501 (x106).

Sincerely,

A handwritten signature in dark ink, appearing to read "Wayne D. Morgan".

Wayne D. Morgan
Executive Director

cc: Marie Prezioso, WV WDA

NOTE: Please acknowledge receipt below, keep one original, and immediately return one copy to the Infrastructure Council.

MT. HOPE WATER ASSOCIATION

By: 

Its: President

Date: September 12, 2023

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL

Mt. Hope Water Association
Water Project 2023W-2372

SCHEDULE A

A. Approximate Amount:	\$ 0	IJDC Grant
	<u>\$ 1,408,000</u>	IJDC Loan (3%, 20 yrs.)
	\$ 1,408,000	Total
B. Grant	\$0	
Grant Advancement Date(s):	Monthly, upon receipt of proper requisition	
Special Conditions:	None.	
C. Other Funding:	Local/City/Council	\$290,000
D. Total Project Cost	\$1,698,000	
E. Proposed User Rates:	Approximately 42.04 / 3,400 gallons	

SWEEP RESOLUTION

WHEREAS, the Mt. Hope Water Association (the “Issuer”) is a non-stock nonprofit corporation of West Virginia;

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

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

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

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

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

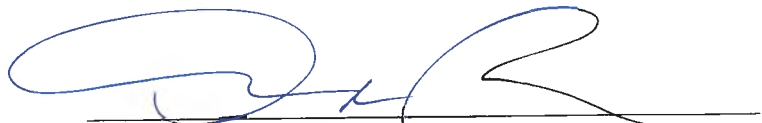
NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

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

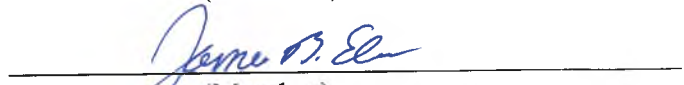
2) President and Secretary are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

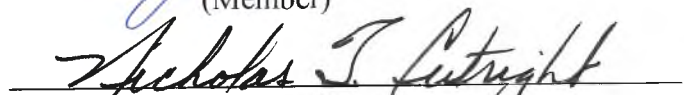
Adopted this 29th day of April, 2024.



(President)



(Member)



(Member)