TOWN OF OCEANA
WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A
(WEST VIRGINIA DWTRF PROGRAM)

BOND ORDINANCE

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TOWN OF OCEANA

ORDINANCE AUTHORIZING DESIGN AND OTHER PRECONSTRUCTION ACTIVITIES RELATING TO THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE TOWN OF OCEANA AND THE FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $400,000 AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL SUCH DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 19A and Chapter 16, Article 13C of the Code of 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 Town of Oceana (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Wyoming County of said State.

B. The Issuer presently owns and operates a municipal waterworks treatment and distribution system. However, it is deemed necessary and desirable for the health and welfare of

the inhabitants of the Issuer that there be designed, acquired and constructed certain additions, betterments, improvements and extensions to the existing public waterworks system of the Issuer (the design and other pre-construction activities referred to herein as the "Design Project"). The proposed betterments and improvements being designed are referred to herein as the "Project." The existing public waterworks system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System."

C. The Issuer intends to permanently finance the costs of the Design Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Drinking Water Treatment Revolving Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Waterworks System Design Revenue Bonds, Series 2023 A (West Virginia DWTRF Program) (the "Series 2023 A Bonds") in an aggregate principal amount of not more than $400,000, to be initially represented by a single bond, to finance the costs of the Design Project and the costs of issuance of the Series 2023 A Bonds. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2023 A Bonds prior to and during the Design Project and for a period not exceeding 6 months after completion of the Design Project; amounts which may be deposited in the Series 2023 A Bonds Reserve Account (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, including the Administrative Fee (as hereinafter defined); discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2023 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2023 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Design Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Design Project is not less than 32 years.

F. The Issuer has outstanding obligations, being the Issuer's (1) Water Revenue and Refunding Bonds, Series 1996, dated September 20, 1996, issued to the West Virginia Water Development Authority in the original aggregate principal amount of $2,172,800 (the "Series 1996 Bonds"); (2) Waterworks System Design Revenue Bonds, Series 2017 A (West Virginia DWTRF Program), dated December 6, 2017, issued to the West Virginia Water Development Authority in the original aggregate principal amount of $300,000 (the "Series 2017 A Bonds"); (3) Water Revenue Bonds, Series 2018 A (West Virginia DWTRF Program), dated September 26, 2018, issued to the West Virginia Water Development Authority in the original aggregate principal amount of $450,000 (the "Series 2018 A Bonds"); (4) Water Revenue Bonds, Series 2021 A (West Virginia DWTRF Program), dated March 30, 2021, issued in the original principal amount of $2,250,000 (the "Series 2021 A Bonds"); and (5) Water Revenue Bonds, Series 2022

A (Water Development Authority), dated June 28, 2022, issued to the West Virginia Water Development Authority in the original aggregate principal amount of $407,357 (the "Series 2022 A Bonds", and collectively with the Series 1996 Bonds, the Series 2017 A Bonds, the Series 2018 A Bonds, and the Series 2021 A Bonds, the "Prior Bonds").

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

H. It is in the best interests of the Issuer that the Series 2023 A Bonds be sold to the Authority pursuant to the terms and conditions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Bureau for Public Health (the "BPH"), in form satisfactory to the Issuer, the Authority, and the BPH (the "Loan Agreement").

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to operation of the System, authorization of the Design Project, and issuance of the Bonds, or will have so complied prior to issuance of the Bonds, including, among other things, the approval of the Design Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council.

J. The issuance of the Series 2023 A Bonds and the design, acquisition and construction of the Project with proceeds of the Series 2023 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

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

Section 1.03. Definitions. All capitalized terms used in this Ordinance and not otherwise defined herein shall have the following meanings in this Ordinance unless the context expressly requires otherwise:

"Act" means, collectively, Chapter 8, Article 19 and Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended and in effect on the date of enactment hereof.

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the Series 2023 A Bonds.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2023 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the BPH under the Act.

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

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

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

"Bonds" means, collectively, the Series 2023 A Bonds, the Prior Bonds and any additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Ordinance or another ordinance of the Issuer.

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

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

"Code" means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations promulgated thereunder.

"Consulting Engineers" means E. L. Robinson Engineering Co. or any professional engineer or firm of professional engineers, licensed by the State who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions, that shall at any time hereafter be retained 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.

"Costs" or "Costs of the Design Project" means those costs described in Section 1.02D hereof to be a part of the cost of the Design Project.

"Depository Bank" means Summit Community Bank, Princeton, West Virginia, and its successors and assigns.

"Design Project" means the Design Project as described in Section 1.02B hereof.

"DWTRF Regulations" means the DWTRF regulations set forth in the West Virginia Code of State Regulations, as amended from time to time.

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

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

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

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

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

"Holder of the Bonds," "Holder," "Bondholder," "Registered Owner" or any similar term whenever used herein with respect to an outstanding Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond or Bonds.

"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 such System in the normal operation of its business and affairs.

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

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

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2023 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2023 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment

of proceeds of the Series 2023 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance 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, Registrar and Paying Agent or Paying Agents), the Administrative Fee, payments to the 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 principal of or redemption, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of the capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Operation and Maintenance Fund" means the Operation and Maintenance Fund created by the Prior Ordinances and continued hereby.

"Outstanding," when used with reference to the Bonds or Prior Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond or Prior Bond cancelled by the Registrar for Prior Bonds, at or prior to said date; (ii) any Bond or any Prior Bonds 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 held in trust and set aside for such payment (whether upon or prior to maturity); and (iii) any Bond or Prior Bonds deemed to have been paid as provided in their respective authorizing resolutions.

"Parity Bonds" means additional Bonds issued on a parity with the Series 2023 A Bonds and the Prior Bonds under the provisions and within the limitations prescribed by Section 6.07 hereof.

"Paying Agent" means the Bond Commission and its successors and assigns.

"Prior Bonds" means, collectively, the Series 1996 Bonds, the Series 2017 A Bonds, the Series 2018 A Bonds, the Series 2021 A Bonds, and the Series 2022 A Bonds, as more fully described in Section 1.02(F).

"Prior Ordinances" means, collectively, the ordinances of the Issuer, as supplemented, authorizing the Prior Bonds.

"PSC" means the Public Service Commission of West Virginia, or any successor thereto.

"Qualified Investments" means and includes any investments permitted to be made by a municipality, public service district or public corporation of the State pursuant to State Law, specifically including but not limited to Chapter 8, Article 13, Section 22 of the Code of West Virginia and the West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia, 1931, as amended.

"Recorder" means the Recorder of the Issuer.

"Registrar" means United Bank, Charleston, West Virginia and its successors and assigns.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Ordinances and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2023 A Bonds and the Prior Bonds.

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

"Revenue Fund" means the Revenue Fund established by the Prior Ordinances and continued hereby.

"Series 1996 Bonds" means the Issuer's Water Revenue and Refunding Bonds, Series 1996, dated September 20, 1996, issued to the West Virginia Water Development Authority in the original aggregate principal amount of $2,172,800.

"Series 2017 A Bonds" means the Issuer's Waterworks System Design Revenue Bonds, Series 2017 A (West Virginia DWTRF Program), dated December 6, 2017, issued to the West Virginia Water Development Authority in the original aggregate principal amount of $300,000.

"Series 2018 A Bonds" means the Issuer's Water Revenue Bonds, Series 2018 A (West Virginia DWTRF Program), dated September 26, 2018, issued to the West Virginia Water Development Authority in the original aggregate principal amount of $450,000.

"Series 2021 A Bonds" means the Issuer's Water Revenue Bonds, Series 2021 A (West Virginia DWTRF Program), dated March 30, 2021, issued in the original principal amount of $2,250,000.

"Series 2022 A Bonds" means the Issuer's Water Revenue Bonds, Series 2022 A (Water Development Authority), dated June 28, 2022, issued to the West Virginia Water Development Authority in the original aggregate principal amount of $407,357.

"Series 2023 A Bonds" means the Waterworks System Design Revenue Bonds, Series 2023 A (West Virginia DWTRF Program), of the Issuer, authorized by the Ordinance.

"Series 2023 A Bonds Project Trust Fund" means the Series 2023 A Bonds Project Trust Fund established by Section 4.01 hereof.

"Series 2023 A Bonds Reserve Account" means the Series 2023 A Bonds Reserve Account established by Section 4.02 hereof.

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

"Series 2023 A Bonds Sinking Fund" means the Series 2023 A Bonds Sinking Fund established by Section 4.02 hereof.

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the", refers specifically to the supplemental resolution authorizing the sale of the Series 2023 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2023 A bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds, Prior Bonds or any other obligations of the Issuer, including, without limitation, the Operation and Maintenance Fund, Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

"System" means, collectively, the complete existing municipal waterworks system of the Issuer, and shall include the Project and any additions, betterments, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

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

"West Virginia DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund program established by the State, administered by the BPH and funded by capitalization grants awarded to the State pursuant to the federal Safe Drinking Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles; words importing singular number include the plural number in each case and vice versa; words importing the masculine gender include every other gender; words importing persons include firms, partnerships, associations and corporations; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Mayor or Acting Recorder.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this entire Bond Legislation.

Section 1.04. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2023 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of the Series 2023 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided thereto and herein.

ARTICLE II

AUTHORIZATION OF THE DESIGN PROJECT

Section 2.01. Authorization of the Design Project. There is hereby authorized and ordered the Design Project, and other necessary accounting, legal and real estate work for the Project, at an estimated cost of not to exceed $400,000, which will be obtained from the proceeds of the Series 2023 A Bonds. The Issuer has entered into, or will enter into, contracts for the Design Project, which are in an amount and otherwise compatible with the financing plan submitted to the Authority and the BPH.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF THE SERIES 2023 A BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of the Series 2023 A Bonds. For the purposes of financing the costs of the Design Project and paying the costs of issuance of the Series 2023 A Bonds and related costs, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2023 A Bonds of the Issuer, in an aggregate principal amount of not more than $400,000. The Series 2023 A Bonds shall be issued in fully registered form and shall initially be represented by a single bond, numbered AR-1, in the principal amount of $400,000, and shall have such terms as set forth hereinafter and in the

Supplemental Resolution. The proceeds of the Series 2023 A Bonds shall be deposited in or credited to the Series 2023 A Bonds Project Trust Fund established by Section 4.01 hereof.

Section 3.02. Terms of Series 2023 A Bonds. The Series 2023 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2023 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2023 A Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2023 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2023 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2023 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 shall bear interest, if any, as set forth in a Supplemental Resolution.

Section 3.03. Execution of Series 2023 A Bonds. The Series 2023 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto, and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed any of the Series 2023 A Bonds shall cease to be such officer of the Issuer before the Series 2023 A Bonds so signed and sealed shall have been actually sold or delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2023 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office of 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 2023 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.07 shall have been manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive

evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2023 A Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2023 A Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting the Series 2023 A Bonds, shall be conclusively deemed to have agreed that the Series 2023 A Bonds shall be conclusively deemed to have agreed that the Series 2023 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive 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 2023 A Bonds remain Outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Series 2023 A Bonds. The Series 2023 A Bonds shall be transferrable only upon the books of the Registrar, by request of the Registered Owner thereof in person or by his attorney duly authorized in writing, and upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of the Series 2023 A Bonds, there shall be issued to the transferee fully registered Series 2023 A Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Series 2023 A Bonds.

In all cases in which the privilege of exchanging the Series 2023 A Bonds or transferring the registered Bonds are exercised, all Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. For every such exchange or transfer of Bonds, the 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 transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the 15 days preceding an interest payment date on the Series 2023 A Bonds or after notice of any prepayment of the Series 2023 A Bonds has been given.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2023 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Registrar shall, if so advised by the Issuer, authenticate and deliver a new Bond in exchange and substitution for such mutilated Bonds upon surrender and cancellation for such mutilated Bonds or in lieu of and substitution for the Series 2023 A Bonds destroyed, stolen or lost and upon the Holder's furnishing the Issuer proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and Registrar may incur. All Bonds so

surrendered shall be submitted to and canceled by the Registrar and held for the account of the Issuer. If such Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bonds are lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2023 A Bonds do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as provided herein. No Holder of the Series 2023 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2023 A Bonds or the interest, if any, thereon.

Section 3.08. Sale of Bonds; Approval and Execution of Loan Agreement. The Series 2023 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. The Mayor is specifically authorized and directed to approve and execute the Series 2023 A Bonds and the Loan Agreement, and the Recorder is directed to affix the seal of the Issuer, attest the same, and deliver the Series 2023 A Bonds and the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.09. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service on the Series 2023 A Bonds shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System, on parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of, and interest, if any, on and other payments for the Series 2023 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2023 A Bonds and the Prior Bonds as the same become due.

Section 3.10. Delivery of Series 2023 A Bonds. The Issuer shall execute and deliver the Series 2023 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2023 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 2023 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

B. A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2023 A Bonds to the Purchaser;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2023 A Bonds.

Section 3.11 Form of Bonds. The text of the Series 2023 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 by this Ordinance or any ordinance or resolution supplemental hereto adopted prior to the issuance thereof.

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2023 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF OCEANA
WATERWORKS SYSTEM DESIGN REVENUE BOND, SERIES 2023 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $_____

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

The Administrative Fee of _____% (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20__, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority on behalf of the West Virginia Bureau for Public Health (the "BPH") 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 BPH dated _____, 2023.

This Bond is issued (1) to pay a portion of the costs of the design and other pre-construction activities of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Design Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2023, and a Supplemental Resolution duly adopted by the Issuer on _____, 2023 (collectively, the "Bond Legislation"), and is subject to all terms and conditions thereof. This Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(1) WATER REVENUE AND REFUNDING BONDS, SERIES 1996, DATED SEPTEMBER 20, 1996, ISSUED TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,172,800 (THE "SERIES 1996 BONDS");

(2) WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2017 A (WEST VIRGINIA DWTRF PROGRAM), DATED DECEMBER 6, 2017, ISSUED TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $300,000 (THE "SERIES 2017 A BONDS");

(3) WATER REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA DWTRF PROGRAM), DATED SEPTEMBER 26, 2018, ISSUED TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $450,000 (THE "SERIES 2018 A BONDS");

(4) WATER REVENUE BONDS, SERIES 2021 A (WEST VIRGINIA DWTRF PROGRAM), DATED MARCH 30, 2021, ISSUED TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,250,000 (THE "SERIES 2021 A BONDS"); AND

(5) WATER REVENUE BONDS, SERIES 2022 A (WATER DEVELOPMENT AUTHORITY), DATED JUNE 28, 2022, ISSUED TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $407,357 (THE "SERIES 2022 A BONDS", AND

COLLECTIVELY WITH THE SERIES 1996 BOND, THE SERIES 2017 A BONDS, THE SERIES 2018 A BONDS, AND THE SERIES 2021 A BONDS, AND THE SERIES 2022 A BONDS, THE "PRIOR BONDS").

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

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Design Project and costs of issuance hereof

described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Registered Owner of this Bond.

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 assumption 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 and interest, if any, on this Bond.

All provisions of the Bond Legislation, ordinances, 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.

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

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: _____, 2023

UNITED BANK, INC., as Registrar

By _____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(attached hereto)

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Date: _____, 20___.

_____

IN THE PRESENCE OF:

_____

CERTIFICATION

The undersigned, being the duly qualified, elected and acting Recorder of the Town of Oceana, does hereby certify that the foregoing Ordinance is a true, correct and complete copy of an Ordinance duly enacted by the Council of the Town of Oceana, on _____, 2023.

Dated: _____, 2023

[SEAL]

By: _____
Recorder

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

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created (or continued if previously established by the Prior Ordinances) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and each other:

(1) Revenue Fund (established by the Prior Ordinances);

(2) Renewal and Replacement Fund (established by the Prior Ordinances); and

(3) Series 2023 A Bonds Project Trust Fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) and shall be held by the Bond Commission separate and apart from all other funds or accounts of the Bond Commission and the Issuer and from each other:

(1) Series 1996 Bonds Sinking Fund (established by Prior Ordinances);

(2) Series 1996 Bonds Reserve Account (established by Prior Ordinances);

(3) Series 2017 A Bonds Sinking Fund (established by Prior Ordinances);

(4) Series 2017 Bonds Reserve Account (established by Prior Ordinances);

(5) Series 2018 A Bonds Sinking Fund (established by Prior Ordinances);

(6) Series 2018 A Bonds Reserve Account (established by Prior Ordinances);

(7) Series 2021 A Bonds Sinking Fund (established by Prior Ordinances);

(8) Series 2021 A Bonds Reserve Account (established by Prior Ordinances);

(9) Series 2022 A Bonds Sinking Fund (established by Prior Ordinances);

(10) Series 2022 A Bonds Reserve Account (established by Prior Ordinances); and

(11) Series 2023 A Bonds Sinking Fund; and

(12) Series 2023 A Bonds Reserve Account.

Section 4.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Bond Legislation and Prior Ordinances 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 provided in this Bond Legislation and the prior Ordinances. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds for the Prior Bonds the amounts required to pay interest on the Prior Bonds; and (ii) commencing 4 months prior to the first date of payment of interest on the Series 2023 A Bonds, if any, for deposit in the Series 2023 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2023 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2023 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds for the Prior Bonds, the amounts required to pay principal of the Prior Bonds, as required by the Prior Ordinances; and (ii) commencing 4 months prior to the first date of payment of principal on the Series 2023 A Bonds, for deposit in the Series 2023 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2023 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2023 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

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

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum equal to 2½% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, 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 monies from the Renewal and Replacement Fund.

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

All investment earnings on monies in the Series 2023 A Bonds Sinking Fund and the Series 2023 A Bonds Reserve Account shall be returned, not less than once each year, by the Bond Commission to the Issuer, and such amounts shall, during the Design Project, be deposited in the Series 2023 A Bonds Project Trust Fund, and following completion of the Design Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2023 A Bonds, and then to the next ensuing principal payment due thereon.

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

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

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

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2023 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2023 A Bonds Sinking Fund and the Series 2023 A Bond Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Bond Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into such accounts are automatically debited from the Revenue Fund and electronically transferred to the Bond Commission on the required dates.

Monies in the Series 2023 A Bonds Sinking Fund and the Series 2023 A Bond Reserve Account shall be invested and reinvested by the Bond Commission in accordance with Section 7.01 hereof.

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

B. The Issuer shall on the first day of each month (if such day is not a business day, then the first business day of each month), deposit with the Bond Commission the required principal and reserve account payments with respect to the Series 2023 A Bonds and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if such day is not a business day, then the first business day of each month), deposit with the Bond Commission the Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so

transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

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

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

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, 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 4.03, and the relevant provisions of the Prior Ordinances and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

ARTICLE V

BOND PROCEEDS; DISBURSEMENTS

Section 5.01. Application of Bond Proceeds; Pledge of Unexpected Bond Proceeds. Monies received from the sale of the Series 2023 A Bonds shall be deducted and deposited in the order set forth below:

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

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

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2023 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2023 A Bonds Project Trust Fund and applied solely to payment of costs of the Design Project in the manner set forth in Section 5.02 and until so expended, are hereby pledged as additional security for the Series 2023 A Bonds.

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

Section 5.02. Disbursements from the Project Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the proceeds of the Series 2023 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for the costs of the Design Project shall be made monthly.

Except as provided in Section 5.01 hereof, disbursements from the Series 2023 A Bonds Project Trust Fund shall be made only after submission to the BPH of the following: (1) a completed and signed "Payment Requisition Form", a form of which is attached to the Loan Agreement in compliance with the project schedule; and (2) a certificate, signed by an Authorized Officer, stating that:

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

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

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

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

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

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation 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 Series 2023 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holder or Holders of the Series 2023 A Bonds, as hereinafter provided in this Article VI. All such

covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2023 A Bonds are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Series 2023 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2023 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2023 A Bonds, or the interest, if any, thereon.

Section 6.03. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2023 A Bonds shall be secured equally and ratably by a first lien on the Gross Revenues derived from the operation of the System on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2023 A Bonds and to make the payments into all funds and accounts, and all other payments provided for in the Bond Legislation and the Prior Ordinances are hereby irrevocably pledged to such payments as the same become due, and for the other purposes provided in this Bond Legislation.

Section 6.04. 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 of the facilities of the System shall be as set forth in the water rate ordinance duly enacted on March 9, 2023, which rates are incorporated herein by reference as a part hereof.

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

Section 6.05. Sale of the System. So long as any of the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Ordinances. Additionally, so long as the Series 2023 A Bonds are outstanding, and except as otherwise required by law or with the written consent of 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 Prior Bonds and the Series 2023 A Bonds, in accordance with Section 9.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System

shall, with respect to the Series 2023 A Bonds and Prior Bonds, immediately be remitted to the Bond Commission for deposit in the Series 2023 A Bonds Sinking Fund and the Prior Bonds Sinking Funds, respectively, pro rata with respect to the principal amounts of the Series 2023 A Bonds and the Prior Bonds then outstanding, and, with the written permission of the Authority and the BPH, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Bond Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2023 A Bonds and Prior Bonds. Any balance remaining after the payment of all the Series 2023 A Bonds and interest, if any, and the Prior Bonds and interest thereon shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, and subject to the Prior Ordinances so long as any of the Prior Bonds remain Outstanding, 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, 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, in writing, determine upon consultation with the Consulting Engineers 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 upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall be deposited in the Renewal and Replacement Fund. Such payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, 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 Prior Bonds and the Series 2023 A Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Prior Bonds and Series 2023 A Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Prior Bonds and Series 2023 A Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 6.06 and in Section 6.07, so long as any of the Series 2023 A Bonds are Outstanding, the Issuer shall not issue any other

obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2023 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2023 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2023 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation 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 charge having priority over or being on a parity with the lien of the Series 2023 A Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2023 A Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 6.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2023 A Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

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

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

So long as the Series 2023 A Bonds or Prior Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Prior Bonds then Outstanding;

(2) Any Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any improvements to be financed by the Parity Bonds and any increase in rates adopted by the Issuer, the time for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove discussed 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, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which has expired prior to the issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds issued from time to time within the limitations of and in compliance with this Section 6.07. Any Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any bond of one series over any other bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this Section 6.07, equally, as to lien on and source of and security for payment from such revenues, with the Series 2023 A Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the funds and accounts provided for in this Bond Legislation with respect to the Series 2023 A Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 6.08. Books, Records and Audit. The Issuer shall keep complete and accurate records of the costs of the Design Project. The Issuer shall permit the Authority and the BPH, or their agents and representatives, to inspect all books, documents, papers and records relating to the Design Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the BPH such documents and information as they may reasonably require in connection with the Design Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Design Project.

The Issuer shall permit the Authority and the BPH, 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 the Design Project.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of the Series 2023 A Bonds issued pursuant to this Bond Legislation 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 PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority or the BPH and shall mail in each year to any Holder or Holders of the Bonds requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds or other obligations payable from the revenues of the system 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 compliance with the applicable OMB Circular and the Single Audit Act or successor thereto, in effect at the time, to the extent required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Bonds, and shall submit said report to the BPH and the Authority, or any other original purchaser of the Bonds. Such audit report submitted to the BPH and the Authority shall include a

statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation, and that the Issuer's gross revenues are adequate to meet its operation and maintenance expenses and debt service and reserve requirements.

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

The Issuer shall provide the BPH with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit E of the Loan Agreement for the Series 2023 A Bonds or as promulgated from time to time.

Section 6.09. Rates. Prior to the issuance of the Series 2023 A Bonds, equitable rates or charges for the use of and service rendered by the System have been 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 Recorder, 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 said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued 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 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 on the Series 2023 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2023 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements in the Reserve Accounts for obligations on a parity with the Series 2023 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2023 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2023 A Bonds, including the Prior Bonds.

Section 6.10. 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 BPH within 30 days of adoption thereof. The Issuer, by the unanimous consent and approval of the Governing Body, may amend the budget during the subject Fiscal Year provided that the budget remains balanced after such amendment. If the budget is so amended, a copy of the amended budget shall be submitted to the Purchaser within

15 days of the adoption of such amendment. After the adoption of any such amendment, the budget, as amended, shall be the budget of the Issuer for the balance of the subject Fiscal Year.

Commencing on the date contracts are executed for the Design Project and for three years following the completion of the Design 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 by the 10th day of each month.

Section 6.11. 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 6.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the PSC and other laws of the State 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 property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the PSC, 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 PSC, discontinue and shut off the services of the System, if so owned by the Issuer, 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 6.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. 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 6.14. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Series 2023 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or

carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said 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 the Design Project on a 100% basis (completed value form) on the insurable portion of the Design 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 BONDS, such bonds to be in the amounts of 100% of any construction contract and to be required of each contractor contracting directly with the Issuer, if any, 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 System in compliance with West Virginia Code Chapter 38, Article 2, Section 39.

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

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

(6) FIDELITY BONDS, will be provided for 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.

B. The Issuer shall require all contractors, if any, 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 any contractor and subcontractor engaged in the construction of the improvements contemplated by the Project to carry such workers' compensation coverage for all employees working on the improvements contemplated by 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 BPH. The Issuer shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 6.15. Connections. To the extent permitted by the laws of the State and rules and regulations of the PSC, the Issuer shall require every owner, tenant or occupant of any house, dwelling, or building intended to be served by the System to connect thereto.

Section 6.16. Completion and Operation of Design Project; Permits and Orders; Operating Personnel. The Issuer will complete the Design Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by state and federal laws for the Design Project, all orders and approvals required by State and Federal laws for the Design Project and the operation of the System and all approvals for issuance of the Series 2023 A Bonds required by State law with all requisite appeal periods having expired without successful appeal.

The Issuer shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Issuer shall employ qualified operating personnel properly certified by the State.

Section 6.17. Compliance with Loan Agreement and Law.

A. 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 shall provide the BPH with copies of all documents submitted to the Authority.

B. The Issuer shall also comply with all applicable federal and state statutes, rules and regulations, the applicable requirements of all Cross Cutter Authorities and all local ordinances issued by the Authority, the BPH or other state, federal or local bodies in regard to the Design Project and the operation, maintenance and use of the System.

Section 6.18. Engineering Services. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, the improvements contemplated by the Design Project are adequate for the purposes for which they were designed, the funding plan as submitted to the Authority and the BPH is sufficient to pay

the costs of the Design Project, and all permits required by federal and state laws for the Design Project have been obtained.

Section 6.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2023 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2023 A Bonds, and shall be on a parity with the statutory mortgage lien granted to the Prior Bonds.

Section 6.20. Securities Law 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 6.21. Contracts; Change Orders; Public Releases.

A. The Issuer shall, simultaneously with the delivery of the Series 2023 A Bonds or immediately thereafter, enter into written contracts for the Design Project.

B. The Issuer shall submit all proposed change orders to the BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the Series 2023 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 BPH before expending any proceeds of the Series 2023 A Bonds made available due to project underruns.

C. The Issuer shall list the funding provided by the BPH 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 dedication of the Project.

ARTICLE VII

INVESTMENT OF FUNDS

Section 7.01. Investment of Funds. Any monies held as a part of the funds and accounts created by this Bond Legislation, other than the Revenue Fund, shall be invested and reinvested by the Bond 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 Bond Legislation, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 7.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account.

The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the Holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Bond Commission or the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank or such other bank or national banking association, as the case may be, may make any and all investments permitted by this Section 7.01 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 if 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 the Series 2023 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2023 A Bonds from gross income for federal income tax purposes.

Section 7.02. Certificate and 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 2023 A Bonds as a condition to issuance of the Series 2023 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2023 A Bonds as may be necessary in order to maintain the status of the Series 2023 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2023 A Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the Council or the BPH, as the case may be, from which the proceeds of the Series 2023 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the Council or the BPH, 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 provision of this Bond Legislation.

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

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2023 A Bonds.

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

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2023 A Bonds in this Bond Legislation, any supplemental resolution, or in the Series 2023 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Bond Commission, Depository Bank, the Registrar or any other Paying Agent, any other bank or banking association holding any fund or account hereunder, or a Holder of the Series 2023 A Bonds;

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

(D) If default occurs with the Prior Bonds or the Prior Ordinances.

Section 8.02. Remedies. Upon the happening and continuance of any Event of Default, any Holder of the Series 2023 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 the Holder of the Series 2023 A Bonds including the right to require the Issuer to perform its duties under the Act and the Bond Legislation, 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 2023 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 Holder of the Series 2023 A Bonds; and (v) by action or bill in equity enjoin any acts in violation of this Bond Legislation with respect to the Series 2023 A Bonds, or the rights of the Holder of the Series 2023 A Bonds; provided, that all rights and remedies of the Holders of the Series 2023 A Bonds shall be on a parity with the Holders of the Prior Bonds.

No remedy by the terms of this Bond Legislation conferred upon or reserved to the Holders of the Series 2023 A Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Holders of the Series 2023 A Bonds hereunder or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Holders of the Series 2023 A Bonds shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 8.03. Appointment of Receiver. Any Registered Owner of a Series 2023 A Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Bond Legislation and the Act, including the completion of the Design Project, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the Design Project 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, if any, thereon, and 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 the Bond Legislation and the Act.

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 exercise.

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

Such receiver, in the performance of the powers hereinabove conferred upon him 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 at 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 Design 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 the Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE IX

PAYMENT OF BONDS

Section 9.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Series 2023 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in the Bond Legislation, then the pledge of Gross Revenues and other moneys and securities pledged under the Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2023 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2023 A Bonds from gross income for federal income tax purposes.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2023 A Bonds, this Ordinance may be amended or supplemented in any way by a Supplemental Resolution. Following issuance of the Bonds, no material modification or amendment of this Ordinance, or of any ordinance amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2023 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2023 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2023 A Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Bonds required for consent to the above-permitted amendments or modifications.

Section 10.02. Bond Legislation Constitutes Contract. The provisions of this Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2023 A Bonds, and no change, variation or altercation of any kind of the provisions of this Bond Legislation shall be made in any manner, except as provided in this Bond Legislation.

Section 10.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, or the Series 2023 A Bonds.

Section 10.04. 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 10.05. Notices. All notices to be sent to the Issuer, the Authority or the BPH shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:
Town of Oceana
P.O. Box 190
Oceana, West Virginia
Attention: Mayor

AUTHORITY:
West Virginia Water Development Authority
1009 Bullitt Street
Charleston, West Virginia 25301
Attention: Director

BPH:
West Virginia Bureau for Public Health
350 Capitol Street
Charleston, West Virginia 25301
Attention: Infrastructure and Capacity Development

All notices to be sent to the BPH hereunder, shall also be sent to the Authority.

Section 10.06. Conflicting Provisions Repealed. Except for the Prior Ordinances, all ordinances, resolutions, and orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided, however, that all provisions of the Prior Resolutions shall remain in full force and effect, as applicable, until the Prior Bonds and all interest accrued thereon are paid in full.

Section 10.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State applicable thereto; and that the Mayor, the Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 10.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a

period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Independent Herald*, a newspaper of general circulation in the Town of Oceana, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2023 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Section 10.09. Effective Date. This Ordinance shall take effect immediately following the public hearing and final reading hereof.

Passed on First Reading:	December 8, 2022
Passed on Second Reading:	January 12, 2023
Passed on Final Reading Following Public Hearing:	March 9, 2023

TOWN OF OCEANA

Mayor

ATTEST:

Recorder

CERTIFICATION

I hereby certify that the foregoing is a true copy of the Ordinance enacted by the Council of the Town of Oceana on March 9, 2023, as supplemented by a Supplemental Resolution.

Dated: September 12, 2024.

Recorder

[SEAL]

15240642

TOWN OF OCEANA

WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2024 A
(West Virginia DWTRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2024 A (WEST VIRGINIA DWTRF PROGRAM), OF THE TOWN OF OCEANA; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the Town of Oceana, West Virginia (the "Issuer"), duly and officially enacted a bond ordinance on March 9, 2023 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING DESIGN AND OTHER PRECONSTRUCTION ACTIVITIES RELATING TO THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE TOWN OF OCEANA AND THE FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $400,000 AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL SUCH DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance, among other things, provides for the issuance of bonds of the Issuer designated as the "Town of Oceana Waterworks System Design Revenue Bonds, Series 2023 A" (the "Bonds"), in the aggregate principal amount not to exceed $400,000;

WHEREAS, the issuance of the Bonds was delayed due to circumstances related to the Issuer's water project development;

WHEREAS, the Issuer wishes to re-designate the Bonds as the "Town of Oceana Waterworks System Design Revenue Bonds, Series 2024 A" to clearly identify the year in which the Bonds are to be issued;

WHEREAS, pursuant to the provisions of Chapter 16, Article 13C of the Code of West Virginia, 1931, which was succeeded by Chapter 22, Article 36 (effective July 1, 2023), as amended, the West Virginia Drinking Water Treatment Revolving Fund (the "Fund") is administered and managed by the Authority under the direction of the West Virginia Department of Environmental Protection (the "DEP");

WHEREAS, any references in the Bond Ordinance to the West Virginia Bureau for Public Health (the "BPH") as related to the Fund, shall now mean the DEP;

WHEREAS, provisions for additional definitions and provisions related to the cash working capital fund need to be included in the Bond Ordinance;

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

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

WHEREAS, the Issuer deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer; that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates, the sale price and other terms of the Series 2024 A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2024 A Bonds be herein provided for.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN OF OCEANA, WYOMING COUNTY, WEST VIRGINIA, AS FOLLOWS:

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and the provisions and the text of the Series 2024 A Bonds shall be in substantially the form provided in the Bond Ordinance, except as provided for herein.

Section 2. The Issuer hereby approves the re-designation of the Bonds to the "Town of Oceana Waterworks System Design Revenue Bonds, Series 2024 A" and all references to "Town of Oceana Waterworks System Design Revenue Bonds, Series 2023 A" in the Bond Ordinance shall be replaced with "Town of Oceana Waterworks System Design Revenue Bonds, Series 2024 A".

Section 3. The form of the Series 2023 A Bonds, set forth in Section 3.11 of the Bond Ordinance, shall be deleted and replaced with Exhibit A attached hereto.

Section 4. The following definitions shall be included in the Bond Ordinance:

"BIL" means the Infrastructure Investment and Jobs Act, Public Law 117-58, pursuant to which funding has been awarded by DEP, as hereinafter defined.

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

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

"DEP" means the West Virginia Department of Environmental Protection or any other agency, board or department of the State that succeeds to the functions of the DEP.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds, Prior Bonds or any other obligations of the Issuer, including, without limitation, the Operation and Maintenance Fund, the Cash Working Capital Reserve, Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

Section 5. Section 4.01 of the Bond Ordinance shall be supplemented to include Cash Working Capital Reserve as a special fund or account.

Section 6. Section 4.03 A. of the Bond Ordinance shall be supplemented to include the following:

> (6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Cash Working Capital Reserve 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.

Section 7. Section 10.08 of the Bond Ordinance shall be supplemented to include the following:

> Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Council to contain sufficient information as to give notice of the contents thereof, was delivered to the *Register-Herald* for publication on August 9, 2024, and August 16, 2024, thus meeting the requirement to publish once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in a qualified newspaper published and of general circulation in the Town of Oceana, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Series 2024 A Bonds described in such Bond Ordinance, stating that any person interested may appear on the 22nd day of August, 2024, at 7:00 p.m., at the Town Hall in Oceana, West Virginia and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Issuer.

Section 8. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Waterworks System Design Revenue Bonds, Series 2024 A (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $350,000. The Series 2024 A Bonds shall be dated the date of delivery thereof, shall finally mature on September 1, 2054, and shall bear interest at 0.50% per annum. The principal of 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, to and including September 1, 2054, and 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 DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2024 A Bonds. The Issuer does hereby approve and shall pay the Administrative Fee equal to 0.25% of the principal amount of the Series 2024 A Bonds set forth in "Schedule Y" attached to the Loan Agreement.

Section 9. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 10. The Issuer does hereby authorize, ratify, approve 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 Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon; provided that, the proceeds of the Bonds will be advanced from time to time as requisitioned by the Issuer.

Section 11. The Issuer does hereby appoint and designate United Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 12. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 13. The Issuer does hereby appoint and designate Summit Community Bank, Princeton, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 14. Series 2024 A Bonds proceeds in the amount of $-0 shall be deposited in the Series 2024 A Bonds Sinking Fund as capitalized interest.

Section 15. Series 2024 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2024 A Bonds Reserve Account.

Section 16. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 2024 A Bonds Project Fund as received from time to time for payment of costs of the Design Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 17. The Mayor and Recorder are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about September 12, 2024.

Section 18. The completion of the Design Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

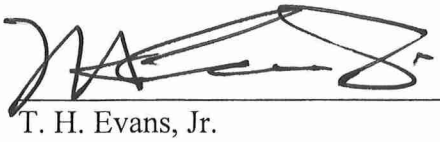
Section 19. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Design Project and the Mayor is hereby authorized and directed to execute and deliver all such contracts.

Section 20. The Issuer hereby approves payment of all invoices and bills for the Design Project which have been received to date from the proceeds of the Bonds.

Section 21. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 22nd day of August, 2024.

TOWN OF OCEANA, WEST VIRGINIA

By: 

T. H. Evans, Jr.

Its: Mayor

21153372 (20012.19)

CERTIFICATION

The undersigned, being the duly qualified, elected and acting Recorder of the Town of Oceana, West Virginia, does hereby certify that the foregoing is a true, correct and complete copy of a Supplemental Resolution duly adopted by the members of the Governing Body of the Town of Oceana at a special meeting held on the 22nd day of August, 2024.

[SEAL]

Recorder, Town of Oceana, West Virginia

21153372 (20012.19)

LOAN AGREEMENT

THIS DRINKING WATER TREATMENT REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, a state agency (the "DEP"), and the local entity designated below (the "Local Entity").

TOWN OF OCEANA
(2019W-1840 / D-144008)
(Local Entity)

W I T N E S S E T H:

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

WHEREAS, pursuant to the provisions of Chapter 16, Article 13C of the Code of West Virginia, 1931, which was succeeded by Chapter 22, Article 36 (effective July 1, 2023), as amended (the "Act"), the State of West Virginia (the "State") has established and continued a drinking water treatment revolving fund program (the "Program") to direct the distribution of loans to eligible Local Entities pursuant to the Safe Drinking Water Act;

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

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

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

WHEREAS, the DEP has been awarded funding pursuant to the Infrastructure Investment and Jobs Act, Public Law 117-58 ("BIL") to capitalize the DWTRF;

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

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

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

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

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

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

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

ARTICLE I
Definitions

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

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

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

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

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

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

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

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

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

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

1.11 "DWTRF Regulations" means the regulations set forth in the West Virginia Code of State Regulations (47 CSR 66).

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

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

ARTICLE II
The Project and the System

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

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and the Local Act, the Local Entity has acquired, or shall do all things necessary to acquire, the

proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Local Entity by the Consulting Engineers.

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

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

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

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

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

2.8 The Local Entity shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and

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

2.9 The Local Entity shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP 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, DEP and the Local Entity at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Entity shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Local Entity shall notify DEP in writing of such receipt.

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

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

2.12 The Local Entity must complete the Monthly Financial Report, the form of which is attached hereto as Exhibit A and incorporated herein by reference, and forward it to the Authority by the 10th day of each month, commencing on the month after the loan contracts are executed for the acquisition or construction of the Project and ending after three years. After the three-year period, it or an equivalent tracking form should continue to be completed and reviewed monthly for the utility's management to monitor its financial debt service coverage for the life of the loan. This form would be on file with the utility records according to the utility's records management policy.

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

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

ARTICLE III
Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.5 The Local Entity understands and acknowledges that it is one of several local entities which have applied to the Authority and DEP for loans from the Fund to finance drinking water projects and that the obligation of the Authority to make any such loan is subject to the Local Entity's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Entity specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may purchase the bonds of other local entities set out in the State Project Priority List, as defined in the DWTRF Regulations. The Local Entity further specifically recognizes that all loans will be originated in conjunction with the DWTRF Regulations and with the prior approval of DEP or such later date as is agreed to in writing by the DEP.

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

3.7 The Local Entity shall comply with the following conditions:

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

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

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

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

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

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

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

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

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

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

(k) The Local Entity shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Entity shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and Local Entities, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

(l) The Local Entity shall comply with all federal requirements applicable to the Loan (including those imposed by BIL, P.L. 113-76, Consolidated Appropriations Act, 2014, the Infrastructure Investment and Jobs Act ("IIJA"), Public Law No. 117-58 and related

SRF Policy Guidelines issued by the EPA) which the Local Entity understands includes, among other things, requirements that all of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States ("Build America, Buy America Requirement") unless (i) the Local Entity has requested and obtained a waiver from the EPA or another application agency pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) the DEP and other funding agencies, if applicable, have otherwise advised the Local Entity in writing that the Build America, Buy America Requirements are not applicable to the Project.

(m) The Local Entity shall comply with all record keeping and reporting requirements under the Safe Drinking Water Act and other funding agencies, if applicable, including any reports required by a Federal agency or the DEP such as performance indicators of program deliverables, information on costs and Project progress. The Local Entity understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Safe Drinking Water Act and other funding agencies, if applicable, and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Bonds, termination and/or repayment of grants, cooperative agreements, direct assistance or other types of financial assistance, and/or other remedial actions. The Local Entity shall review each contractor's and sub-contractor's methodology for complying with Build America, Buy America requirements at the pre-construction meeting. The Local Entity shall require, as part of the contract documents, that the contractor identify the material cost (itemized list) for the contracts and utilize a spreadsheet or other manner to track all deminimus items, which deminimus items must not exceed five percent (5%) of the material cost for the contract. The Local Entity shall require each contractor to transfer all product files to the Local Entity at completion of the Project. The Local Entity shall and hereby agrees to keep and maintain such product files for a minimum of five years after substantial completion of the Project.

(n) The Local Entity covenants and agrees to not expend any proceeds of the Loan or enter into any contracts for components and services prohibited by 2 CFR 200.216 (Prohibition on certain telecommunication and video surveillance services or equipment), implementing section 889 of Public Law 115-232. Prior to entering into any contracts the Local Entity shall certify to DEP in writing that it has reviewed all contracts against the excluded parties list in the System for Award Management (www.sam.gov).

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

3.9 If the Local Entity has entered into an Operation and Maintenance Agreement approved by the PSC and is collecting a Surcharge for the payment of the debt service on the Local Bonds it shall provide in its Local Bonds authorization documents for the application of any Additional Per-Customer Credits. The Local Entity shall direct that the Additional Per-Customer Credits amount be deposited only in the Reserve Account for the Local Bonds held by the Commission. When the total of the monthly debt service deposits and the annual Additional

Per-Customer Credit amounts exceed the Reserve Requirement, then the Commission shall notify the Local Entity, the Authority and the DEP. After the Reserve Account is fully funded, the annual deposit of the Additional Per-Customer Credits shall be held in the account until the additional balance exceeds [$50,000] or the ten-year period has expired. The Authority shall approve a prepayment of the additional balance and shall provide a debt service schedule reflecting the prepayment. The PSC shall be notified of any prepayment. If the balance is less than [$50,000] at the end of the ten-year period, then the balance shall be transferred to the Debt Service Account and applied to the next interest and principal payments.

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

(iv) That, except as otherwise required by State law or the DWTRF Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of the System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

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

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

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

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

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

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

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

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

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

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

the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

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

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

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

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

(xix) That the Local Entity shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

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

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

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

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

4.3 At least two and one-half percent (2½%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The Authority and DEP shall pay for any costs that are incurred from the beginning date set forth on Schedule X (the "Beginning Date"), to the expiration date set forth on Schedule X (the "Expiration Date") of which some costs may have been incurred prior to the date hereof and where such costs are necessary for the efficient and timely performance of the scope of the Project and are eligible costs for the Fund. The remaining proceeds of the Local Bonds shall be advanced by the Authority monthly as required by the Local Entity to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Entity, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the DWTRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

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

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

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

4.7 If a Local Entity does not draw down all of the proceeds of the Local Bonds within six months of a receipt of a substantial completion certificate or such other time as

determined by DEP, the DEP will instruct the Authority to process a final draw on the Local Bonds. DEP will instruct the Authority to advance the remaining proceeds of the Local Bond to the Commission for deposit in the Local Bond's Debt Service Reserve Account.

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

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

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

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

5.4 The Local Entity hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Entity, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI
Other Agreements of the Local Entity

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

6.2 The Local Entity hereby warrants and represents that all information provided to the Authority and DEP 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 DEP 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 DEP by the Local Entity in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Entity has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the DWTRF Regulations or this Loan Agreement.

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

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

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

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

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

ARTICLE VII
Miscellaneous

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

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

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

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

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

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

7.7 This Loan Agreement shall terminate upon the earlier of:

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

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

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

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

In the event funds are not available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Entity to repay the outstanding amount of the Loan made by the Authority and DEP is not terminated due to such non-funding on any balance of the Loan. The DEP agrees to use its

best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

[Remainder of page intentionally left blank]

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

TOWN OF OCEANA

(SEAL)

By: _____
Its: Mayor
Date: September 12, 2024

Attest:

_____
Its: Recorder

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: _____
Its: Director
Date: September 12, 2024

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: September 12, 2024

Attest:

_____
Its: Authorized Officer

EXHIBIT A

Monthly Financial Report

Name of Local Entity: _____

Funding Agency Project No.: _____

Type of Project: ☐ Water ☐ Wastewater

Fiscal Year: _____

Report Month: _____

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

_____
Name of Person Completing Form / Date

_____
Address

_____
Telephone Number

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

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

EXHIBIT B

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____ County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words used herein and not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Department of Environmental Protection (the "DEP"), 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 DEP and any change orders approved by the Issuer, the DEP 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 firm[1] has ascertained that all successful bidders have made 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 received any and all addenda to the original bid documents; (vi) the bid documents relating to the Project reflect the Project as

[1]If 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".

approved by the DEP 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 thereof[2], 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 DEP; (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; (xiii) the Issuer will receive as-built plans and specifications within sixty days of the receipt of a completion certificate; and (xiv) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

WITNESS my signature and seal on this ____day of _____, _____.

[SEAL]

_____

By: _____

_____

West Virginia License No. _____

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

EXHIBIT C

SPECIAL CONDITIONS

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

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

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

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

Sinking Fund:

Interest$_____

Principal $_____

Total: $_____

Reserve Account: $_____

Witness my signature this ___ day of _____.

_____
[Name of Local Entity]

By: _____
Authorized Officer

Enclosure: wire transfer form

EXHIBIT E

OPINION OF BOND COUNSEL FOR LOCAL ENTITY

[To Be Dated as of Date of Loan Closing]

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

West Virginia Department of Environmental Protection
601 57th Street SE
Charleston, WV 25304

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

A. Series A Bonds

Principal Amount of Local Bonds	$350,000
Purchase Price of Local Bonds	$350,000

Beginning Date:	January 1, 2018
Expiration Date:	September 30, 2030

The Local Bonds shall bear interest at a rate of 0.50% per annum. Commencing September 1, 2025, principal of and interest on the Local Bonds is payable quarterly, with an administrative fee of 0.25%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

(i) Water Revenue and Refunding Bonds, Series 1996, dated September 20, 1996, issued to the West Virginia Water Development Authority in the original aggregate principal amount of $2,172,800;

(ii) Waterworks System Design Revenue Bonds, Series 2017 A (West Virginia DWTRF Program), dated December 6, 2017, issued in the original aggregate principal amount of $300,000;

(iii) Water Revenue Bonds, Series 2018 A (West Virginia DWTRF Program), dated September 26, 2018, issued in the original aggregate principal amount of $450,000;

(iv) Water Revenue Bonds, Series 2021 A (West Virginia DWTRF Program), dated March 30, 2021, issued in the original aggregate principal amount of $2,250,000; and

(v) Water Revenue Bonds, Series 2022 A (Water Development Authority), dated June 28, 2022, issued in the original aggregate principal amount of $407,357.

Number of New Customers To Be Served: -0- (Design)
Location: Town of Oceana, Wyoming County

SCHEDULE Y
DEBT SERVICE SCHEDULE

Net Debt Service
Town of Oceana
DWTRF
$350,000
0.5% Interest Rate
0.25% Administrative Fee
30 Years from Closing Date

Date	Principal	Interest	Total Debt Service	Reserve Fund	Admin Fee	Net Debt Service
9/1/2025	2,780	437.50	3,217.50	321.78	112.98	3,652.26
12/1/2025	2,783	434.03	3,217.03	321.78	112.98	3,651.79
3/1/2026	2,787	430.55	3,217.55	321.78	112.98	3,652.31
6/1/2026	2,790	427.06	3,217.06	321.78	112.98	3,651.82
9/1/2026	2,794	423.58	3,217.58	321.78	112.98	3,652.34
12/1/2026	2,797	420.08	3,217.08	321.78	112.98	3,651.84
3/1/2027	2,801	416.59	3,217.59	321.78	112.98	3,652.35
6/1/2027	2,804	413.09	3,217.09	321.78	112.98	3,651.85
9/1/2027	2,808	409.58	3,217.58	321.78	112.98	3,652.34
12/1/2027	2,811	406.07	3,217.07	321.78	112.98	3,651.83
3/1/2028	2,815	402.56	3,217.56	321.78	112.98	3,652.32
6/1/2028	2,818	399.04	3,217.04	321.78	112.98	3,651.80
9/1/2028	2,822	395.52	3,217.52	321.78	112.98	3,652.28
12/1/2028	2,825	391.99	3,216.99	321.78	112.98	3,651.75
3/1/2029	2,829	388.46	3,217.46	321.78	112.98	3,652.22
6/1/2029	2,833	384.92	3,217.92	321.78	112.98	3,652.68
9/1/2029	2,836	381.38	3,217.38	321.78	112.98	3,652.14
12/1/2029	2,840	377.83	3,217.83	321.78	112.98	3,652.59
3/1/2030	2,843	374.28	3,217.28	321.78	112.98	3,652.04
6/1/2030	2,847	370.73	3,217.73	321.78	112.98	3,652.49
9/1/2030	2,850	367.17	3,217.17	321.78	112.98	3,651.93
12/1/2030	2,854	363.61	3,217.61	321.77	112.98	3,652.36
3/1/2031	2,857	360.04	3,217.04	321.77	112.98	3,651.79
6/1/2031	2,861	356.47	3,217.47	321.77	112.98	3,652.22
9/1/2031	2,865	352.89	3,217.89	321.77	112.98	3,652.64
12/1/2031	2,868	349.31	3,217.31	321.77	112.98	3,652.06
3/1/2032	2,872	345.73	3,217.73	321.77	112.98	3,652.48
6/1/2032	2,875	342.14	3,217.14	321.77	112.98	3,651.89
9/1/2032	2,879	338.54	3,217.54	321.77	112.98	3,652.29
12/1/2032	2,882	334.95	3,216.95	321.77	112.98	3,651.70
3/1/2033	2,886	331.34	3,217.34	321.77	112.98	3,652.09
6/1/2033	2,890	327.74	3,217.74	321.77	112.98	3,652.49
9/1/2033	2,893	324.12	3,217.12	321.77	112.98	3,651.87
12/1/2033	2,897	320.51	3,217.51	321.77	112.98	3,652.26
3/1/2034	2,901	316.89	3,217.89	321.77	112.98	3,652.64
6/1/2034	2,904	313.26	3,217.26	321.77	112.98	3,652.01
9/1/2034	2,908	309.63	3,217.63	321.77	112.98	3,652.38
12/1/2034	2,911	305.99	3,216.99	321.77	112.98	3,651.74
3/1/2035	2,915	302.36	3,217.36	321.77	112.98	3,652.11
6/1/2035	2,919	298.71	3,217.71	321.77	112.98	3,652.46
9/1/2035	2,922	295.06	3,217.06		112.98	3,330.04
12/1/2035	2,926	291.41	3,217.41		112.98	3,330.39
3/1/2036	2,930	287.75	3,217.75		112.98	3,330.73
6/1/2036	2,933	284.09	3,217.09		112.98	3,330.07
9/1/2036	2,937	280.42	3,217.42		112.98	3,330.40
12/1/2036	2,941	276.75	3,217.75		112.98	3,330.73

Aug 20, 2024 12:39 pm Prepared by Piper Sandler & Co. (WDA:LOANS-OCEAN124) 1

Quarterly administration fee calculated based on 0.25% of the loan payments and will be $ 112.98, with a final payment of $ 112.98, to total $ 13,218.66.

Net Debt Service

Town of Oceana
DWTRF
$350,000
0.5% Interest Rate
0.25% Administrative Fee
30 Years from Closing Date

Date	Principal	Interest	Total Debt Service	Reserve Fund	Admin Fee	Net Debt Service
3/1/2037	2,944	273.08	3,217.08		112.98	3,330.06
6/1/2037	2,948	269.40	3,217.40		112.98	3,330.38
9/1/2037	2,952	265.71	3,217.71		112.98	3,330.69
12/1/2037	2,955	262.02	3,217.02		112.98	3,330.00
3/1/2038	2,959	258.33	3,217.33		112.98	3,330.31
6/1/2038	2,963	254.63	3,217.63		112.98	3,330.61
9/1/2038	2,967	250.93	3,217.93		112.98	3,330.91
12/1/2038	2,970	247.22	3,217.22		112.98	3,330.20
3/1/2039	2,974	243.50	3,217.50		112.98	3,330.48
6/1/2039	2,978	239.79	3,217.79		112.98	3,330.77
9/1/2039	2,981	236.06	3,217.06		112.98	3,330.04
12/1/2039	2,985	232.34	3,217.34		112.98	3,330.32
3/1/2040	2,989	228.61	3,217.61		112.98	3,330.59
6/1/2040	2,993	224.87	3,217.87		112.98	3,330.85
9/1/2040	2,996	221.13	3,217.13		112.98	3,330.11
12/1/2040	3,000	217.38	3,217.38		112.98	3,330.36
3/1/2041	3,004	213.63	3,217.63		112.98	3,330.61
6/1/2041	3,008	209.88	3,217.88		112.98	3,330.86
9/1/2041	3,011	206.12	3,217.12		112.98	3,330.10
12/1/2041	3,015	202.36	3,217.36		112.98	3,330.34
3/1/2042	3,019	198.59	3,217.59		112.98	3,330.57
6/1/2042	3,023	194.81	3,217.81		112.98	3,330.79
9/1/2042	3,026	191.03	3,217.03		112.98	3,330.01
12/1/2042	3,030	187.25	3,217.25		112.98	3,330.23
3/1/2043	3,034	183.46	3,217.46		112.98	3,330.44
6/1/2043	3,038	179.67	3,217.67		112.98	3,330.65
9/1/2043	3,042	175.87	3,217.87		112.98	3,330.85
12/1/2043	3,045	172.07	3,217.07		112.98	3,330.05
3/1/2044	3,049	168.27	3,217.27		112.98	3,330.25
6/1/2044	3,053	164.45	3,217.45		112.98	3,330.43
9/1/2044	3,057	160.64	3,217.64		112.98	3,330.62
12/1/2044	3,061	156.82	3,217.82		112.98	3,330.80
3/1/2045	3,064	152.99	3,216.99		112.98	3,329.97
6/1/2045	3,068	149.16	3,217.16		112.98	3,330.14
9/1/2045	3,072	145.33	3,217.33		112.98	3,330.31
12/1/2045	3,076	141.49	3,217.49		112.98	3,330.47
3/1/2046	3,080	137.64	3,217.64		112.98	3,330.62
6/1/2046	3,084	133.79	3,217.79		112.98	3,330.77
9/1/2046	3,087	129.94	3,216.94		112.98	3,329.92
12/1/2046	3,091	126.08	3,217.08		112.98	3,330.06
3/1/2047	3,095	122.21	3,217.21		112.98	3,330.19
6/1/2047	3,099	118.34	3,217.34		112.98	3,330.32
9/1/2047	3,103	114.47	3,217.47		112.98	3,330.45
12/1/2047	3,107	110.59	3,217.59		112.98	3,330.57
3/1/2048	3,111	106.71	3,217.71		112.98	3,330.69
6/1/2048	3,115	102.82	3,217.82		112.98	3,330.80

Aug 20, 2024 12:39 pm Prepared by Piper Sandler & Co. (WDA:LOANS-OCEAN124) 2

Quarterly administration fee calculated based on 0.25% of the loan payments and will be $ 112.98, with a final payment of $ 112.98, to total $ 13,218.66.

Net Debt Service

Town of Oceana
DWTRF
$350,000
0.5% Interest Rate
0.25% Administrative Fee
30 Years from Closing Date

Date	Principal	Interest	Total Debt Service	Reserve Fund	Admin Fee	Net Debt Service
9/1/2048	3,118	98.93	3,216.93		112.98	3,329.91
12/1/2048	3,122	95.03	3,217.03		112.98	3,330.01
3/1/2049	3,126	91.13	3,217.13		112.98	3,330.11
6/1/2049	3,130	87.22	3,217.22		112.98	3,330.20
9/1/2049	3,134	83.31	3,217.31		112.98	3,330.29
12/1/2049	3,138	79.39	3,217.39		112.98	3,330.37
3/1/2050	3,142	75.47	3,217.47		112.98	3,330.45
6/1/2050	3,146	71.54	3,217.54		112.98	3,330.52
9/1/2050	3,150	67.61	3,217.61		112.98	3,330.59
12/1/2050	3,154	63.67	3,217.67		112.98	3,330.65
3/1/2051	3,158	59.73	3,217.73		112.98	3,330.71
6/1/2051	3,162	55.78	3,217.78		112.98	3,330.76
9/1/2051	3,166	51.83	3,217.83		112.98	3,330.81
12/1/2051	3,170	47.87	3,217.87		112.98	3,330.85
3/1/2052	3,174	43.91	3,217.91		112.98	3,330.89
6/1/2052	3,177	39.94	3,216.94		112.98	3,329.92
9/1/2052	3,181	35.97	3,216.97		112.98	3,329.95
12/1/2052	3,185	31.99	3,216.99		112.98	3,329.97
3/1/2053	3,189	28.01	3,217.01		112.98	3,329.99
6/1/2053	3,193	24.02	3,217.02		112.98	3,330.00
9/1/2053	3,197	20.03	3,217.03		112.98	3,330.01
12/1/2053	3,201	16.04	3,217.04		112.98	3,330.02
3/1/2054	3,205	12.03	3,217.03		112.98	3,330.01
6/1/2054	3,209	8.03	3,217.03		112.98	3,330.01
9/1/2054	3,213	4.02	3,217.02		112.98	3,330.00
	350,000	26,435.70	376,435.70	12,871.01	13,218.66	402,525.37

Notes:

1. $1,217.56 from 6/01/2025 through 5/01/2035 (based on maximum quarterly payment of $3,652.68 and monthly payment rounded up to the nearest cent)
2. $1,110.31 from 6/01/2035 through 8/1/2054 (based on maximum quarterly payment of $3,330.91 and monthly payment rounded up to the nearest cent)
3. Reserve Fund equal to $12,871.01 (maximum annual debt service) funded up over 10 years.
4. Admin Fee calculated based on 0.25% of bond value computed quarterly paid in equal quarterly payments rounded up to the nearest cent.

Quarterly administration fee calculated based on 0.25% of the loan payments and will be $112.98, with a final payment of $112.98, to total $13,218.66.

TOWN OF OCEANA

WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2024 A
(West Virginia DWTRF Program)

CROSS-RECEIPT FOR SERIES 2024 A BONDS AND BOND PROCEEDS

On this 12th day of September, 2024, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the Town of Oceana (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Waterworks System Design Revenue Bonds, Series 2024 A (West Virginia DWTRF Program), of the Issuer, in the principal amount of $350,000, numbered AR-1 (the "Series 2024 A Bonds"), issued as a single, fully registered Bond, numbered AR-1, and dated September 12, 2024.

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

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2024A Bonds, of the sum of $298,745.59 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 to the Issuer by the Authority on behalf of the West Virginia Department of Environmental Protection as the Design Project progresses.

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Dated as of the date first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

TOWN OF OCEANA

By: _____
Its: Mayor

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF OCEANA
WATERWORKS SYSTEM DESIGN REVENUE BOND, SERIES 2024 A
(WEST VIRGINIA DWTRF PROGRAM)

Specimen

No. AR-1

Specimen

$350,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 12th day of September, 2024, the TOWN OF OCEANA, a municipal corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of THREE HUNDRED FIFTY THOUSAND DOLLARS ($350,000) 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 payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing September 1, 2025, to and including September 1, 2054, at the rate of 0.50% per annum as set forth on EXHIBIT B attached hereto.

The Administrative Fee of 0.25% (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing September 1, 2025, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority on behalf of the West Virginia Department of Environmental Protection (the "DEP") 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 DEP dated September 12, 2024.

This Bond is issued (1) to pay a portion of the costs of the design and other pre-construction activities of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Design Project"); and (ii) to pay certain costs of issuance of the Bonds

Specimen

of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on March 9, 2023, and a Supplemental Resolution duly adopted by the Issuer on August 22, 2024 (collectively, the "Bond Legislation"), and is subject to all terms and conditions thereof. This Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(1) WATER REVENUE AND REFUNDING BONDS, SERIES 1996, DATED SEPTEMBER 20, 1996, ISSUED TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,172,800 (THE "SERIES 1996 BONDS");

(2) WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2017 A (WEST VIRGINIA DWTRF PROGRAM), DATED DECEMBER 6, 2017, ISSUED TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $300,000 (THE "SERIES 2017 A BONDS");

(3) WATER REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA DWTRF PROGRAM), DATED SEPTEMBER 26, 2018, ISSUED TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $450,000 (THE "SERIES 2018 A BONDS");

(4) WATER REVENUE BONDS, SERIES 2021 A (WEST VIRGINIA DWTRF PROGRAM), DATED MARCH 30, 2021, ISSUED TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,250,000 (THE "SERIES 2021 A BONDS"); AND

(5) WATER REVENUE BONDS, SERIES 2022 A (WATER DEVELOPMENT AUTHORITY), DATED JUNE 28, 2022, ISSUED TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $407,357 (THE "SERIES 2022 A BONDS", AND COLLECTIVELY WITH THE SERIES 1996 BOND, THE SERIES 2017 A BONDS, THE SERIES 2018 A BONDS, AND THE SERIES 2021 A BONDS, AND THE SERIES 2022 A BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2024 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside in a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon, if any, except from said special fund provided from the Gross Revenues, the moneys in the Series 2024 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) 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, including the Prior Bonds; provided, 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, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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 assumption of this Bond do exist, have happened, and have been performed in due time, form and manner as required by

Specimen

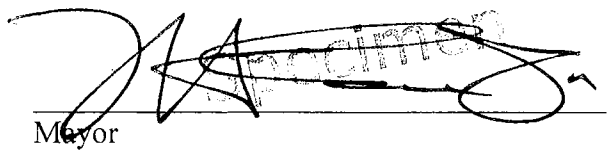
law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest, if any, on this Bond.

All provisions of the Bond Legislation, ordinances, 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.

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

[SEAL]



Mayor

ATTEST:



Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2024 A Bonds described in and issued under the provisions of the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: September 12, 2024

UNITED BANK, as Registrar

By _____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

specimen

AMOUNT	DATE	AMOUNT	DATE
(1) $298,745.59	9/12/24	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(attached hereto)

SCHEDULE Y
DEBT SERVICE SCHEDULE

Net Debt Service

Town of Oceana

DWTRF

$350,000

0.5% Interest Rate

0.25% Administrative Fee

30 Years from Closing Date

Date	Principal	Interest	Total Debt Service	Reserve Fund	Admin Fee	Net Debt Service
9/1/2025	2,780	437.50	3,217.50	321.78	112.98	3,652.26
12/1/2025	2,783	434.03	3,217.03	321.78	112.98	3,651.79
3/1/2026	2,787	430.55	3,217.55	321.78	112.98	3,652.31
6/1/2026	2,790	427.06	3,217.06	321.78	112.98	3,651.82
9/1/2026	2,794	423.58	3,217.58	321.78	112.98	3,652.34
12/1/2026	2,797	420.08	3,217.08	321.78	112.98	3,651.84
3/1/2027	2,801	416.59	3,217.59	321.78	112.98	3,652.35
6/1/2027	2,804	413.09	3,217.09	321.78	112.98	3,651.85
9/1/2027	2,808	409.58	3,217.58	321.78	112.98	3,652.34
12/1/2027	2,811	406.07	3,217.07	321.78	112.98	3,651.83
3/1/2028	2,815	402.56	3,217.56	321.78	112.98	3,652.32
6/1/2028	2,818	399.04	3,217.04	321.78	112.98	3,651.80
9/1/2028	2,822	395.52	3,217.52	321.78	112.98	3,652.28
12/1/2028	2,825	391.99	3,216.99	321.78	112.98	3,651.75
3/1/2029	2,829	388.46	3,217.46	321.78	112.98	3,652.22
6/1/2029	2,833	384.92	3,217.92	321.78	112.98	3,652.68
9/1/2029	2,836	381.38	3,217.38	321.78	112.98	3,652.14
12/1/2029	2,840	377.83	3,217.83	321.78	112.98	3,652.59
3/1/2030	2,843	374.28	3,217.28	321.78	112.98	3,652.04
6/1/2030	2,847	370.73	3,217.73	321.78	112.98	3,652.49
9/1/2030	2,850	367.17	3,217.17	321.78	112.98	3,651.93
12/1/2030	2,854	363.61	3,217.61	321.77	112.98	3,652.36
3/1/2031	2,857	360.04	3,217.04	321.77	112.98	3,651.79
6/1/2031	2,861	356.47	3,217.47	321.77	112.98	3,652.22
9/1/2031	2,865	352.89	3,217.89	321.77	112.98	3,652.64
12/1/2031	2,868	349.31	3,217.31	321.77	112.98	3,652.06
3/1/2032	2,872	345.73	3,217.73	321.77	112.98	3,652.48
6/1/2032	2,875	342.14	3,217.14	321.77	112.98	3,651.89
9/1/2032	2,879	338.54	3,217.54	321.77	112.98	3,652.29
12/1/2032	2,882	334.95	3,216.95	321.77	112.98	3,651.70
3/1/2033	2,886	331.34	3,217.34	321.77	112.98	3,652.09
6/1/2033	2,890	327.74	3,217.74	321.77	112.98	3,652.49
9/1/2033	2,893	324.12	3,217.12	321.77	112.98	3,651.87
12/1/2033	2,897	320.51	3,217.51	321.77	112.98	3,652.26
3/1/2034	2,901	316.89	3,217.89	321.77	112.98	3,652.64
6/1/2034	2,904	313.26	3,217.26	321.77	112.98	3,652.01
9/1/2034	2,908	309.63	3,217.63	321.77	112.98	3,652.38
12/1/2034	2,911	305.99	3,216.99	321.77	112.98	3,651.74
3/1/2035	2,915	302.36	3,217.36	321.77	112.98	3,652.11
6/1/2035	2,919	298.71	3,217.71	321.77	112.98	3,652.46
9/1/2035	2,922	295.06	3,217.06		112.98	3,330.04
12/1/2035	2,926	291.41	3,217.41		112.98	3,330.39
3/1/2036	2,930	287.75	3,217.75		112.98	3,330.73
6/1/2036	2,933	284.09	3,217.09		112.98	3,330.07
9/1/2036	2,937	280.42	3,217.42		112.98	3,330.40
12/1/2036	2,941	276.75	3,217.75		112.98	3,330.73

Quarterly administration fee calculated based on 0.25% of the loan payments and will be $ 112.98, with a final payment of $ 112.98, to total $ 13,218.66.

Net Debt Service

Town of Oceana
DWTRF
$350,000
0.5% Interest Rate
0.25% Administrative Fee
30 Years from Closing Date

Date	Principal	Interest	Total Debt Service	Reserve Fund	Admin Fee	Net Debt Service
3/1/2037	2,944	273.08	3,217.08		112.98	3,330.06
6/1/2037	2,948	269.40	3,217.40		112.98	3,330.38
9/1/2037	2,952	265.71	3,217.71		112.98	3,330.69
12/1/2037	2,955	262.02	3,217.02		112.98	3,330.00
3/1/2038	2,959	258.33	3,217.33		112.98	3,330.31
6/1/2038	2,963	254.63	3,217.63		112.98	3,330.61
9/1/2038	2,967	250.93	3,217.93		112.98	3,330.91
12/1/2038	2,970	247.22	3,217.22		112.98	3,330.20
3/1/2039	2,974	243.50	3,217.50		112.98	3,330.48
6/1/2039	2,978	239.79	3,217.79		112.98	3,330.77
9/1/2039	2,981	236.06	3,217.06		112.98	3,330.04
12/1/2039	2,985	232.34	3,217.34		112.98	3,330.32
3/1/2040	2,989	228.61	3,217.61		112.98	3,330.59
6/1/2040	2,993	224.87	3,217.87		112.98	3,330.85
9/1/2040	2,996	221.13	3,217.13		112.98	3,330.11
12/1/2040	3,000	217.38	3,217.38		112.98	3,330.36
3/1/2041	3,004	213.63	3,217.63		112.98	3,330.61
6/1/2041	3,008	209.88	3,217.88		112.98	3,330.86
9/1/2041	3,011	206.12	3,217.12		112.98	3,330.10
12/1/2041	3,015	202.36	3,217.36		112.98	3,330.34
3/1/2042	3,019	198.59	3,217.59		112.98	3,330.57
6/1/2042	3,023	194.81	3,217.81		112.98	3,330.79
9/1/2042	3,026	191.03	3,217.03		112.98	3,330.01
12/1/2042	3,030	187.25	3,217.25		112.98	3,330.23
3/1/2043	3,034	183.46	3,217.46		112.98	3,330.44
6/1/2043	3,038	179.67	3,217.67		112.98	3,330.65
9/1/2043	3,042	175.87	3,217.87		112.98	3,330.85
12/1/2043	3,045	172.07	3,217.07		112.98	3,330.05
3/1/2044	3,049	168.27	3,217.27		112.98	3,330.25
6/1/2044	3,053	164.45	3,217.45		112.98	3,330.43
9/1/2044	3,057	160.64	3,217.64		112.98	3,330.62
12/1/2044	3,061	156.82	3,217.82		112.98	3,330.80
3/1/2045	3,064	152.99	3,216.99		112.98	3,329.97
6/1/2045	3,068	149.16	3,217.16		112.98	3,330.14
9/1/2045	3,072	145.33	3,217.33		112.98	3,330.31
12/1/2045	3,076	141.49	3,217.49		112.98	3,330.47
3/1/2046	3,080	137.64	3,217.64		112.98	3,330.62
6/1/2046	3,084	133.79	3,217.79		112.98	3,330.77
9/1/2046	3,087	129.94	3,216.94		112.98	3,329.92
12/1/2046	3,091	126.08	3,217.08		112.98	3,330.06
3/1/2047	3,095	122.21	3,217.21		112.98	3,330.19
6/1/2047	3,099	118.34	3,217.34		112.98	3,330.32
9/1/2047	3,103	114.47	3,217.47		112.98	3,330.45
12/1/2047	3,107	110.59	3,217.59		112.98	3,330.57
3/1/2048	3,111	106.71	3,217.71		112.98	3,330.69
6/1/2048	3,115	102.82	3,217.82		112.98	3,330.80

Quarterly administration fee calculated based on 0.25% of the loan payments and will be $ 112.98, with a final payment of $ 112.98, to total $ 13,218.66.

Net Debt Service

Town of Oceana
DWTRF
$350,000
0.5% Interest Rate
0.25% Administrative Fee
30 Years from Closing Date

Date	Principal	Interest	Total Debt Service	Reserve Fund	Admin Fee	Net Debt Service
9/1/2048	3,118	98.93	3,216.93		112.98	3,329.91
12/1/2048	3,122	95.03	3,217.03		112.98	3,330.01
3/1/2049	3,126	91.13	3,217.13		112.98	3,330.11
6/1/2049	3,130	87.22	3,217.22		112.98	3,330.20
9/1/2049	3,134	83.31	3,217.31		112.98	3,330.29
12/1/2049	3,138	79.39	3,217.39		112.98	3,330.37
3/1/2050	3,142	75.47	3,217.47		112.98	3,330.45
6/1/2050	3,146	71.54	3,217.54		112.98	3,330.52
9/1/2050	3,150	67.61	3,217.61		112.98	3,330.59
12/1/2050	3,154	63.67	3,217.67		112.98	3,330.65
3/1/2051	3,158	59.73	3,217.73		112.98	3,330.71
6/1/2051	3,162	55.78	3,217.78		112.98	3,330.76
9/1/2051	3,166	51.83	3,217.83		112.98	3,330.81
12/1/2051	3,170	47.87	3,217.87		112.98	3,330.85
3/1/2052	3,174	43.91	3,217.91		112.98	3,330.89
6/1/2052	3,177	39.94	3,216.94		112.98	3,329.92
9/1/2052	3,181	35.97	3,216.97		112.98	3,329.95
12/1/2052	3,185	31.99	3,216.99		112.98	3,329.97
3/1/2053	3,189	28.01	3,217.01		112.98	3,329.99
6/1/2053	3,193	24.02	3,217.02		112.98	3,330.00
9/1/2053	3,197	20.03	3,217.03		112.98	3,330.01
12/1/2053	3,201	16.04	3,217.04		112.98	3,330.02
3/1/2054	3,205	12.03	3,217.03		112.98	3,330.01
6/1/2054	3,209	8.03	3,217.03		112.98	3,330.01
9/1/2054	3,213	4.02	3,217.02		112.98	3,330.00
	350,000	26,435.70	376,435.70	12,871.01	13,218.66	402,525.37

Notes:

1. $1,217.56 from 6/01/2025 through 5/01/2035 (based on maximum quarterly payment of $3,652.68 and monthly payment rounded up to the nearest cent)
2. $1,110.31 from 6/01/2035 through 8/1/2054 (based on maximum quarterly payment of $3,330.91 and monthly payment rounded up to the nearest cent)
3. Reserve Fund equal to $12,871.01 (maximum annual debt service) funded up over 10 years
4. Admin Fee calculated based on 0.25% of bond value computed quarterly paid in equal quarterly payments rounded up to the nearest cent.

Quarterly administration fee calculated based on 0.25% of the loan payments and will be $112.98, with a final payment of $112.98, to total $13,218.66.

(Form of)

Specimen

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Date: _____, 20___.

_____

IN THE PRESENCE OF:

_____

TOWN OF OCEANA

WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2024 A
(West Virginia DWTRF Program)

September 12, 2024

Town of Oceana
Oceana, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to the Town of Oceana, a municipal corporation in Wyoming County, West Virginia (the "Issuer"). We have examined copies of the approving opinion of Spilman Thomas & Battle, PLLC, as bond counsel, a loan agreement dated September 12, 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 Department of Environmental Protection (the "DEP"), the Bond Ordinance duly enacted by the Issuer on March 9, 2023 (the "Bond Ordinance"), the Supplemental Resolution duly adopted by the Town on August 22, 2024 (the "Supplemental Resolution", and together with the Bond Ordinance, the "Bond Legislation"), and other documents, relating to the Town of Oceana Waterworks System Design Revenue Bonds, Series 2024 A Bonds, dated September 12, 2024, issued in the original aggregate principle amount of $350,000 (the "Series 2024 A Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation when used herein.

We are of the opinion, under existing law, as follows:

1. The Issuer has been duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia, with full power and authority to complete the Design Project, to operate and maintain the System and to enact the Bond Legislation, all under the Act and other applicable provisions of law.

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

spilman
thomas & battle

3. The Bond Legislation has been duly adopted and enacted by the Issuer and is in full force and effect as of the date hereof.

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

5. To the best of our knowledge, the execution and delivery of the Series 2024 A Bonds and the Loan Agreement, and the consummation of the transactions contemplated by the Series 2024 A Bonds, the Loan Agreement, and the Bond Legislation, 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 ordinance, order, 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. To the best of our knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Series 2024 A Bonds, the Loan Agreement, the Bond Legislation, or the Design Project, the validity of the Series 2024 A Bonds, or the collection or pledge of the Gross Revenues therefor.

The opinions expressed in this letter are based upon the law in effect on the date hereof, and may be affected by actions taken or omitted or events occurring after the date hereof, including but not limited to subsequent interpretations of the applicable law by competent judicial, regulatory and administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof. We assume no obligation to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise, or to determine or to inform any person whether any such actions are taken or omitted or any such events occur.

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

Very truly yours,

Spilman Thomas & Battle, PLLC

Spilman Thomas & Battle, PLLC

15920532 (20012.19)

TOWN OF OCEANA

WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2024 A
(West Virginia DWTRF Program)

CERTIFICATE OF ENGINEER

On this 12th day of September, 2024, I, Robert D. Hazelwood, Registered Professional Engineer, West Virginia License No. 8452, of E.L. Robinson Engineering, Charleston, West Virginia, hereby certify as follows:

1. My firm is engineer for the design of certain additions, betterments, improvements and extensions (the "Project") to the existing public waterworks system (the "System") of the Town of Oceana (the "Issuer"), to be constructed primarily in Wyoming County, West Virginia, which design is being financed by the proceeds of the above-captioned bonds (the "Series 2024 A Bonds") of the Issuer. All capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on March 9, 2023, as supplemented by the Supplemental Resolution adopted by the Issuer on August 22, 2024, and the Loan Agreement for the Bonds dated September 12, 2024 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Department of Environmental Protection (the "DEP").

2. The Series 2024 A Bonds are being issued for the purposes of (i) permanently financing the costs of the Design Project; and (ii) paying 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 Design Project, the Design Project will be completed by E.L. Robinson Engineering, Consulting Engineers, as described in the application submitted to the Authority and the DEP, requesting the Authority to purchase the Series 2024 A Bonds (the "Application"); (ii) the improvements which will be designed as a result of the Design Project will be adequate for the purpose for which it will be designed and, when constructed, will have an estimated useful life of at least 40 years; (iii) prior to construction, my firm will assist the Issuer in obtaining all applicable permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the improvements contemplated by the Design Project and the operation of the System; (iv) the net proceeds of the Series 2024 A Bonds, together with all other monies on deposit or to be simultaneously deposited and irrevocably pledged thereto, are sufficient to pay the costs of the Design Project, as set forth in the Application; and (v) attached hereto as Exhibit A is the "Schedule B - Total Cost of Project and Sources of Funds" for the Design Project.

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

E.L. Robinson Engineering



[SEAL]

Robert D. Hazelwood

Robert D. Hazelwood, P.E.
West Virginia License No. 8452

EXHIBIT A

TOWN OF OCEANA
WATER SYSTEM UPGRADE - PHASE 2
** DRAFT** SCHEDULE B
AUGUST 12, 2024

A. COST OF PROJECT	Total	DESIGN PHASE DWTRF DESIGN LOAN	WYOMING COUNTY COMMISSION ARPA FUNDS	DWTRF CONSTRUCTION LOAN	DWTRF FORGIVENESS LOAN	IJDC GRANT	ARC GRANT admin by WVDO
1 Construction							
a. Cont. 1 - Water Distribution System Upgrades	$ 2,920,000.00	$ -		$ 1,824,350.00	$ 168,500.00	$ 54,300.00	$ 872,850.00
b. Cont. 2 - Water Plant Upgrades	$ 620,000.00	$ -		$ 100,000.00	$ 450,000.00	$ 50,000.00	$ 20,000.00
c. Cont. 3 - Water Storage Tank Replacement	$ 550,000.00	$ -		$ -	$ 74,000.00	$ 36,000.00	$ 440,000.00
d. Construction Contingency	$ 405,200.00	$ -			$ -	$ 259,700.00	$ 145,500.00
e. Equipment (meters)	$ 28,785.00	$ -	$ 28,785.00	$ -		$ -	$ -
2 Technical Services							
a. Study & Report	$ 20,000.00	$ -	$ 20,000.00	$ -	$ -	$ -	$ -
b. Preliminary Design	$ 157,000.00	$ 109,900.00	$ -	$ -	$ -	$ -	$ 47,100.00
c. Final Design	$ 157,000.00	$ 109,900.00	$ -	$ -	$ -	$ -	$ 47,100.00
d. Bidding and Negotiation Phase	$ 20,000.00	$ -	$ -	$ -	$ -	$ -	$ 20,000.00
e. Engineering During Construction	$ 48,000.00	$ -	$ -	$ -	$ -	$ -	$ 48,000.00
f. RPR	$ 230,000.00	$ -	$ -	$ -	$ -	$ -	$ 230,000.00
g. Special Services							
i Project Dev Assistance	$ 30,000.00	$ 21,000.00	$ 3,400.00	$ -	$ -	$ -	$ 5,600.00
ii Environmental Assessments	$ 15,000.00	$ 10,500.00	$ -	$ -	$ -	$ -	$ 4,500.00
iii Record Drawings	$ 15,000.00	$ -	$ -	$ -	$ -	$ -	$ 15,000.00
iv Land Surveys & Easement Preparation	$ 20,000.00	$ 14,000.00	$ -	$ -	$ -	$ -	$ 6,000.00
v Engineering Surveys & topo	$ 20,000.00	$ 14,000.00	$ -	$ -	$ -	$ -	$ 6,000.00
vi Geo Tech	$ 20,000.00	$ 13,850.00	$ -	$ -	$ -	$ -	$ 6,150.00
vii Water Leak Study Report	$ 10,000.00	$ -	$ -	$ -	$ -	$ -	$ 10,000.00
3 Legal & Fiscal							
a. Legal Services (Spillman)	$ 40,000.00	$ 10,000.00	$ -	$ -	$ -	$ -	$ 30,000.00
4 Administrative Services							
a. Project Administrator (Reg. 1)	$ 110,000.00	$ 10,000.00	$ -	$ -	$ -	$ 100,000.00	$ -
5 Accounting	$ 17,000.00	$ 10,000.00	$ -	$ -	$ -	$ -	$ 7,000.00
6 Sites & Other Lands	$ 10,000.00	$ 10,000.00	$ -	$ -	$ -	$ -	$ -
7 Permits	$ 7,000.00	$ 6,200.00	$ -	$ -	$ -	$ -	$ 800.00
8 Project Contingency	$ 38,400.00	$ -	$ -	$ -	$ -	$ -	$ 38,400.00
9 TOTAL of Lines 1 through 8	$ 5,608,385.00	$ 339,350.00	$ 52,185.00	$ 1,924,350.00	$ 692,500.00	$ 500,000.00	$ 2,000,000.00
B. COST OF FINANCING							
10 Funded Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11 Capitalized Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12 Registrar	$ 1,300.00	$ 650.00	$ -	$ 650.00	$ -	$ -	$ -
13 Bond Counsel	$ 42,500.00	$ 10,000.00	$ -	$ 25,000.00	$ 7,500.00	$ -	$ -
14 Cost of Financing (Lines 10 thru 13)	$ 43,800.00	$ 10,650.00	$ -	$ 25,650.00	$ 7,500.00	$ -	$ -
15 TOTAL PROJECT COST(Line 9 plus Line 14)	$ 5,652,185.00	$ 350,000.00	$ 52,185.00	$ 1,950,000.00	$ 700,000.00	$ 500,000.00	$ 2,000,000.00
C. SOURCES OFOTHER FUNDS							
16 Design Phase - DWTRF Design Loan		$ 350,000.00	$ -	$ -	$ -	$ -	$ -
17 Design Phase - ARPA Funds	$ 52,185.00	$ -	$ 52,185.00	$ -	$ -	$ -	$ -
18 DWTRF Loan		$ -	$ -	$ 1,950,000.00	$ -	$ -	$ -
19 DWTRF Forgiveness Loan		$ -	$ -	$ -	$ 700,000.00	$ -	$ -
20 IJDC Grant	$ 500,000.00	$ -	$ -	$ -	$ -	$ 500,000.00	$ -
21 ARC Grant	$ 2,000,000.00	$ -	$ -	$ -	$ -	$ -	$ 2,000,000.00
22 TOTAL GRANTS (Lines 16 through 19)	$ 2,552,185.00	$ 350,000.00	$ 52,185.00	$ 1,950,000.00	$ 700,000.00	$ 500,000.00	$ 2,000,000.00
23 Size of Bond Issue (Line 15 minus Line 20)	$ 3,000,000.00	$ -	$ -	$ -	$ -	$ -	$ -

Prepared by Region I Planning & Development Council

Town of Oceana — Date 8-22-24

Robert Hazlewood, P.E. — Date 8/22/2024

E.L. Robinson

ROBERT D. HAZELWOOD REGISTERED 9452 STATE OF WEST VIRGINIA PROFESSIONAL ENGINEER

Imre David Pentek, CPA

P.O. Box 1390 Lewisburg, WV 24901
Office: (304) 647-3949 E-Mail: imredpentek@gmail.com

CPA CERTIFICATE

$350,000
TOWN OF OCEANA
WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2024 A
(West Virginia DWTRF Program)

September 12, 2024

Town of Oceana
Oceana, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the water rates and charges set forth in the water rate ordinance of the Town of Oceana (the "Issuer") enacted March 9, 2023, and projected operation and maintenance expenses and anticipated customer usage as furnished to me by the Issuer, it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the water system (the "System") of the Issuer, will (i) provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) 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 Waterworks System Design Revenue Bonds, Series 2024 A (West Virginia DWTRF Program) to be issued in an original principal amount not to exceed $350,000 (the "Series 2024 A Bonds") and all other obligations secured by or payable from such revenues, including the Issuer's: (a) Water Revenue and Refunding Bonds, Series 1996, dated September 20, 1996, issued to the West Virginia Water Development Authority in the original aggregate principal amount of $2,172,800 (the "Series 1996 Bonds"); (b) Waterworks System Design Revenue Bonds, Series 2017 A (West Virginia DWTRF Program), dated December 6, 2017, issued to the West Virginia Water Development Authority in the original aggregate principal amount of $300,000 (the "Series 2017 A Bonds"); (c) Water Revenue Bonds, Series 2018 A (West Virginia DWTRF Program), dated September 26, 2018, issued to the West Virginia Water Development Authority in the original aggregate principal amount of $450,000 (the "Series 2018 A Bonds"); (d) Water Revenue Bonds,

Series 2021 A (West Virginia DWTRF Program), dated March 30, 2021, issued to the West Virginia Water Development Authority in the original principal amount of $2,250,000 (the "Series 2021 A Bonds"); and (e) Water Revenue Bonds, Series 2022 A (Water Development Authority), dated June 28, 2022, issued to the West Virginia Water Development Authority in the original aggregate principal amount of $407,357 (the "Series 2022 A Bonds", and collectively with the Series 1996 Bonds, the Series 2017 A Bonds, the Series 2018 A Bonds, and the Series 2021 A Bonds, the "Prior Bonds").

It is further my opinion that 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 2024 A Bonds plus the estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by the 2024 A Bonds are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest, if any, on the Prior Bonds and the 2024 A Bonds.

The Issuer is current on all payments and reserve requirements at the West Virginia Municipal Bond Commission:

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

(b.) 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

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

Very truly yours,

Imre D. Pentek, CPA