WALTON PUBLIC SERVICE DISTRICT
WATER REVENUE BOND (WEST VIRGINIA IJDC PROGRAM)
SERIES 2021

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IC-1
(06/20)

LOAN AGREEMENT

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

WALTON PUBLIC SERVICE DISTRICT
(2019W-1790)

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

WHEREAS, having reviewed the Application and made all findings required by the Act and having available sufficient funds therefor, the Council has authorized the Authority to lend the Governmental Agency the amount set forth on Schedule X attached hereto and

incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with money in the Infrastructure Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Council's loan program (the "Program") as hereinafter set forth.

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

ARTICLE I
Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II
The Project and the System

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

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

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

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

2.5 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority and the Council, acting by and through their directors or their duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority and the Council such documents and information as they may reasonably require

in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

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

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

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

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

2.10 The Governmental Agency shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The

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

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

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

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

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

ARTICLE III
Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

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

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

Local Bond proceeds, monthly deposits or otherwise) at an amount equal to the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

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

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

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

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

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

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

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

program document distributed in conjunction with any groundbreaking or dedication of the Project; and

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VI
Other Agreements of the Governmental Agency

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

commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act or this Loan Agreement.

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

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

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

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

ARTICLE VII
Miscellaneous

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

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

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

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

(ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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.

WALTON PUBLIC SERVICE DISTRICT

WPSD
WALTON PUBLIC SERVICE DISTRICT
5462 CHARLESTON RD, WALTON WV 25286

(SEAL)

By: _____
Its: Chairman
Date: September 8, 2021

Attest:

_____
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: September 8, 2021

Attest:

_____
Its: Authorized Officer

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

A. Series A Bonds

Principal Amount of Local Bonds	$544,900
Purchase Price of Local Bonds	$544,900

The Local Bonds shall bear interest at a rate of 2% per annum. Commencing December 1, 2022, principal of and interest on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

(i) Water Revenue Bonds, Series 1987 (United States Department of Agriculture), dated November 5, 1987, issued in the original principal amount of $135,000;

(ii) Water Revenue Bonds, Series 1991 (United States Department of Agriculture), dated September 17, 1991, issued in the original principal amount of $150,000;

(iii) Water Revenue Bonds (United States Department of Agriculture), Series 1994 A, dated February 16, 1994, issued in the original principal amount of $108,000;

(iv) Water Revenue Bonds (United States Department of Agriculture), Series 1994 B, dated February 16, 1994, issued in the original principal amount of $8,000;

(v) Water Revenue Bonds (United States Department of Agriculture), Series 1997, dated October 9, 1997, issued in the original principal amount of $500,000;

(vi) Water Revenue Bonds (United States Department of Agriculture), Series 2005, dated April 14, 2005, issued in the original principal amount of $100,000; and

(vii) Water Revenue Bonds (United States Department of Agriculture), Series 2008, dated July 3, 2008, issued in the original principal amount of $180,000.

Number of New Users: -0-

Location: Gandeeville, Walton, Clio, Amber Ridge, Long Ridge and Cotton areas of Roane County, WV; Gabe Road area of Kanawha County, WV

SCHEDULE Y
DEBT SERVICE SCHEDULE

Bond Debt Service
Walton PSD
IJDC Loan
$544,900
2% Interest Rate
30 Years

Dated Date 9/8/2021
Delivery Date 9/8/2021

Period Ending	Principal	Coupon	Interest	Debt Service
12/1/2022	3,325	2.000%	2,724.50	6,049.50
3/1/2023	3,342	2.000%	2,707.88	6,049.88
6/1/2023	3,358	2.000%	2,691.17	6,049.17
9/1/2023	3,375	2.000%	2,674.38	6,049.38
12/1/2023	3,392	2.000%	2,657.50	6,049.50
3/1/2024	3,409	2.000%	2,640.54	6,049.54
6/1/2024	3,426	2.000%	2,623.50	6,049.50
9/1/2024	3,443	2.000%	2,606.37	6,049.37
12/1/2024	3,460	2.000%	2,589.15	6,049.15
3/1/2025	3,478	2.000%	2,571.85	6,049.85
6/1/2025	3,495	2.000%	2,554.46	6,049.46
9/1/2025	3,513	2.000%	2,536.99	6,049.99
12/1/2025	3,530	2.000%	2,519.42	6,049.42
3/1/2026	3,548	2.000%	2,501.77	6,049.77
6/1/2026	3,566	2.000%	2,484.03	6,050.03
9/1/2026	3,583	2.000%	2,466.20	6,049.20
12/1/2026	3,601	2.000%	2,448.29	6,049.29
3/1/2027	3,619	2.000%	2,430.28	6,049.28
6/1/2027	3,637	2.000%	2,412.19	6,049.19
9/1/2027	3,656	2.000%	2,394.00	6,050.00
12/1/2027	3,674	2.000%	2,375.72	6,049.72
3/1/2028	3,692	2.000%	2,357.35	6,049.35
6/1/2028	3,711	2.000%	2,338.89	6,049.89
9/1/2028	3,729	2.000%	2,320.34	6,049.34
12/1/2028	3,748	2.000%	2,301.69	6,049.69
3/1/2029	3,767	2.000%	2,282.95	6,049.95
6/1/2029	3,785	2.000%	2,264.12	6,049.12
9/1/2029	3,804	2.000%	2,245.19	6,049.19
12/1/2029	3,823	2.000%	2,226.17	6,049.17
3/1/2030	3,842	2.000%	2,207.06	6,049.06
6/1/2030	3,862	2.000%	2,187.85	6,049.85
9/1/2030	3,881	2.000%	2,168.54	6,049.54
12/1/2030	3,900	2.000%	2,149.13	6,049.13
3/1/2031	3,920	2.000%	2,129.63	6,049.63
6/1/2031	3,940	2.000%	2,110.03	6,050.03
9/1/2031	3,959	2.000%	2,090.33	6,049.33
12/1/2031	3,979	2.000%	2,070.54	6,049.54
3/1/2032	3,999	2.000%	2,050.64	6,049.64
6/1/2032	4,019	2.000%	2,030.65	6,049.65
9/1/2032	4,039	2.000%	2,010.55	6,049.55
12/1/2032	4,059	2.000%	1,990.36	6,049.36
3/1/2033	4,079	2.000%	1,970.06	6,049.06
6/1/2033	4,100	2.000%	1,949.67	6,049.67

Aug 17, 2021 12:40 pm Prepared by Piper Sandler (WDA:LOANS-WALT121) 1

Bond Debt Service
Walton PSD
IJDC Loan
$544,900
2% Interest Rate
30 Years

Period Ending	Principal	Coupon	Interest	Debt Service
9/1/2033	4,120	2.000%	1,929.17	6,049.17
12/1/2033	4,141	2.000%	1,908.57	6,049.57
3/1/2034	4,162	2.000%	1,887.86	6,049.86
6/1/2034	4,182	2.000%	1,867.05	6,049.05
9/1/2034	4,203	2.000%	1,846.14	6,049.14
12/1/2034	4,224	2.000%	1,825.13	6,049.13
3/1/2035	4,246	2.000%	1,804.01	6,050.01
6/1/2035	4,267	2.000%	1,782.78	6,049.78
9/1/2035	4,288	2.000%	1,761.44	6,049.44
12/1/2035	4,310	2.000%	1,740.00	6,050.00
3/1/2036	4,331	2.000%	1,718.45	6,049.45
6/1/2036	4,353	2.000%	1,696.80	6,049.80
9/1/2036	4,374	2.000%	1,675.03	6,049.03
12/1/2036	4,396	2.000%	1,653.16	6,049.16
3/1/2037	4,418	2.000%	1,631.18	6,049.18
6/1/2037	4,440	2.000%	1,609.09	6,049.09
9/1/2037	4,463	2.000%	1,586.89	6,049.89
12/1/2037	4,485	2.000%	1,564.58	6,049.58
3/1/2038	4,507	2.000%	1,542.15	6,049.15
6/1/2038	4,530	2.000%	1,519.62	6,049.62
9/1/2038	4,553	2.000%	1,496.97	6,049.97
12/1/2038	4,575	2.000%	1,474.20	6,049.20
3/1/2039	4,598	2.000%	1,451.33	6,049.33
6/1/2039	4,621	2.000%	1,428.34	6,049.34
9/1/2039	4,644	2.000%	1,405.23	6,049.23
12/1/2039	4,668	2.000%	1,382.01	6,050.01
3/1/2040	4,691	2.000%	1,358.67	6,049.67
6/1/2040	4,714	2.000%	1,335.22	6,049.22
9/1/2040	4,738	2.000%	1,311.65	6,049.65
12/1/2040	4,762	2.000%	1,287.96	6,049.96
3/1/2041	4,785	2.000%	1,264.15	6,049.15
6/1/2041	4,809	2.000%	1,240.22	6,049.22
9/1/2041	4,833	2.000%	1,216.18	6,049.18
12/1/2041	4,858	2.000%	1,192.01	6,050.01
3/1/2042	4,882	2.000%	1,167.72	6,049.72
6/1/2042	4,906	2.000%	1,143.31	6,049.31
9/1/2042	4,931	2.000%	1,118.78	6,049.78
12/1/2042	4,955	2.000%	1,094.13	6,049.13
3/1/2043	4,980	2.000%	1,069.35	6,049.35
6/1/2043	5,005	2.000%	1,044.45	6,049.45
9/1/2043	5,030	2.000%	1,019.43	6,049.43
12/1/2043	5,055	2.000%	994.28	6,049.28
3/1/2044	5,081	2.000%	969.00	6,050.00
6/1/2044	5,106	2.000%	943.60	6,049.60
9/1/2044	5,131	2.000%	918.07	6,049.07
12/1/2044	5,157	2.000%	892.41	6,049.41
3/1/2045	5,183	2.000%	866.63	6,049.63

Bond Debt Service
Walton PSD
IJDC Loan
$544,900
2% Interest Rate
30 Years

Period Ending	Principal	Coupon	Interest	Debt Service
6/1/2045	5,209	2.000%	840.71	6,049.71
9/1/2045	5,235	2.000%	814.67	6,049.67
12/1/2045	5,261	2.000%	788.49	6,049.49
3/1/2046	5,287	2.000%	762.19	6,049.19
6/1/2046	5,314	2.000%	735.75	6,049.75
9/1/2046	5,340	2.000%	709.18	6,049.18
12/1/2046	5,367	2.000%	682.48	6,049.48
3/1/2047	5,394	2.000%	655.65	6,049.65
6/1/2047	5,421	2.000%	628.68	6,049.68
9/1/2047	5,448	2.000%	601.57	6,049.57
12/1/2047	5,475	2.000%	574.33	6,049.33
3/1/2048	5,503	2.000%	546.96	6,049.96
6/1/2048	5,530	2.000%	519.44	6,049.44
9/1/2048	5,558	2.000%	491.79	6,049.79
12/1/2048	5,586	2.000%	464.00	6,050.00
3/1/2049	5,613	2.000%	436.07	6,049.07
6/1/2049	5,642	2.000%	408.01	6,050.01
9/1/2049	5,670	2.000%	379.80	6,049.80
12/1/2049	5,698	2.000%	351.45	6,049.45
3/1/2050	5,727	2.000%	322.96	6,049.96
6/1/2050	5,755	2.000%	294.32	6,049.32
9/1/2050	5,784	2.000%	265.55	6,049.55
12/1/2050	5,813	2.000%	236.63	6,049.63
3/1/2051	5,842	2.000%	207.56	6,049.56
6/1/2051	5,871	2.000%	178.35	6,049.35
9/1/2051	5,901	2.000%	149.00	6,050.00
12/1/2051	5,930	2.000%	119.49	6,049.49
3/1/2052	5,960	2.000%	89.84	6,049.84
6/1/2052	5,989	2.000%	60.04	6,049.04
9/1/2052	6,019	2.000%	30.10	6,049.10
	544,900		181,041.39	725,941.39

SCHEDULE Z

(None)

IC-2
(10/20)

GRANT AGREEMENT
(2019W-1790)

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), at the direction of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and the WALTON PUBLIC SERVICE DISTRICT (the "Governmental Agency").

R E C I T A L S

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed $494,670 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

T E R M S

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources. The Project budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of an approval resolution and a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority. Unless agreed to by the Council prior to the commencement of construction, the Grant shall be the last dollars expended on the Project.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit B, unless the Council and Authority are provided replacement instructions in writing.

6. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

7. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

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

9. The Governmental Agency has provided the Authority and Council the verification required by (d)(2)(A) of Chapter 12, Article 4, Section 14 of the West Virginia Code (the "Reporting Act"). The Governmental Agency shall and hereby agrees and covenants to comply with the audit and/or agreed upon procedure requirement of the Reporting Act, Legislative Rule Title 148, Section 18 and State Auditor and Chief Inspector guidance. The Governmental Agency shall and agrees to file with the Authority and Council the reports and sworn statements required by (b)(3) of the Reporting Act within two years of the end of each fiscal year in which disbursements are made under this Grant. The reports shall be made by an independent certified public accountant at the sole cost of the Governmental Agency. NOTICE: The Authority is required to report the failure to timely file the reports and sworn statement of expenditures to the West Virginia Legislative Auditor. The Authority shall maintain copies of the reports and sworn statements and shall make them available for public inspection.

10. The verification form attached as Exhibit C must be completed and returned to the Authority prior to the closing of the Grant.

11. This Grant Agreement will expire 24 months after the date of execution by the Authority unless extended at the direction of Council.

12. This Grant Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one in the same instrument.

13. This Grant Agreement shall be governed by the laws of the State of West Virginia.

[Remainder of page intentionally left blank]

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

WALTON PUBLIC SERVICE DISTRICT

WPSD
WALTON PUBLIC SERVICE DISTRICT
5462 CHARLESTON RD, WALTON WV 25286

By: Larry Haigwood
Its: Chairman
Date: September 8, 2021

(SEAL)

Attest:

Its: Secretary

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By:
Its: Executive Director
Date: September 8, 2021

(SEAL)

Attest:

Sheena Chadwell
Its: Authorized Officer

$600,000
WALTON PUBLIC SERVICE DISTRICT
WATER REVENUE BOND (WEST VIRGINIA IJDC PROGRAM)
SERIES 2021

BOND RESOLUTION

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WALTON PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SERVICE PROPERTIES AND ISSUANCE OF A WATER REVENUE BOND (WEST VIRGINIA IJDC PROGRAM), SERIES 2021, OF THE WALTON PUBLIC SERVICE DISTRICT, IN THE AMOUNT NOT TO EXCEED $600,000, TO FINANCE THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO A PUBLIC WATER SYSTEM; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDER OF THE BOND; AUTHORIZING THE DISTRICT TO ENTER INTO A LOAN AGREEMENT WITH THE PURCHASER OF THE BOND; PROVIDING STATUTORY LIEN ON REVENUES AND SYSTEM; AND PROVIDING GENERAL TERMS AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT.

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF WALTON PUBLIC SERVICE DISTRICT, ROANE COUNTY, WEST VIRGINIA:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code, as amended (collectively, the "Act") and other applicable provisions of law.

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

A. Walton Public Service District (the "PSD" or "Issuer") is a public service district created and expanded pursuant to the Act by orders issued by The County Commissions of Roane and Kanawha Counties, located in Roane and Kanawha Counties, West Virginia.

B. The Issuer now has a public water system and desires to improve and expand that system. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, betterments and improvements to the existing public water system of the Issuer, including the construction and installation of all necessary appurtenant facilities (the "Project" , sometimes referred to herein as the "System") so as to improve the public health, comfort and convenience of residents of the Public Service District. The Project generally consists of the repair of two storage tanks, two pressure reducing valve stations and three stream bank "washouts" and the replacement of the system's telemetry system; there are no new customers to be served; the repairs are emergencies as the structural soundness of the 200,000

gallon, 96 foot tall Ambler Ridge tank could be in serious jeopardy if it is not repaired in the very near future and necessary appurtenances particularly described in and according to the plans and specifications prepared by the Consulting Engineer for the Project and heretofore filed in the office of the Public Service Board (the "Governing Body") of the Issuer. The construction and acquisition of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. It is necessary for the Issuer to issue its revenue bond in the aggregate principal amount not to exceed $600,000 to finance a portion of the cost of such construction in the manner hereinafter provided.

D. The estimated maximum cost of the construction of the Project is approximately $989,800, which will be obtained from the proceeds of sale of the Series 2021 Bond herein authorized and from a grant to be made by IJDC, as hereinafter defined, in the amount of approximately $500,000. The cost of such construction shall be deemed to include, without being limited to, the construction or acquisition of the Project, the acquisition of any necessary property, real or personal, or any interest therein; interest on the Bond prior to, during and for six (6) months after completion of such construction to the extent that revenues of the System are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the construction of the Project and the financing authorized hereby.

E. The period of usefulness of the System after completion of the Project is not less than thirty (30) years.

F. There are currently outstanding the obligations of the Issuer with which the Bond, as hereinafter defined, will rank on parity as to lien and source of and security for payment as follows:

(i) Water Revenue Bond of the Issuer, dated November 5, 1987 (the "1987 Bond") issued in the original principal amount of $135,000 secured under the terms of the 1987 Resolution (hereinafter defined);

(ii) Water Revenue Bonds of Gandeeville Public Service District (now a part of the Issuer), dated September 17, 1991 (the "1991 Bond") issued in the original principal amount of $150,000 secured under the terms of the 1991 Resolution (hereinafter defined) and assumed by the Issuer as of April 10, 1997 ;

(iii) Water Revenue Bonds of the Issuer, dated February 16, 1994 (the "1994 A and B Bonds") issued in the original principal amounts of $108,000 and $8,000, respectively, secured under the terms of the 1994 Resolution (hereinafter defined);

(iv) Water Revenue Bond of the Issuer, dated October 9, 1997 (the "1997 Bond") issued in the original principal amount of $500,000, secured under the terms of the 1997 Resolution (hereinafter defined);

(v) Water Revenue Bond of the Issuer, dated April 14, 2005 (the "2005 Bond") issued in the original principal amount of $100,000, secured under the terms of the 2005 Resolution (hereinafter defined); and

(vi) Water Revenue Bond of the Issuer date July 3, 2008 (the "2008 Bond") issued in the original principal amount of $180,000, secured under the terms of the 2008 Resolution (hereinafter defined).

With the exception of the bonds described above, there are no other outstanding bonds or obligations of the Issuer, which will rank prior to or on parity with the Bond as to lien, pledge and/or source of and security for payment.

G. The Issuer is not in default under the terms of the 1986 Resolution, the 1991 Resolution, the 1994 Resolution, the 1997 Resolution, the 2005 Resolution and the 2008 Resolution or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid waiver thereof.

H. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all the costs of the operation and maintenance of the System, the principal of and interest on the Bond and the Prior Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein.

I. It is in the best interests of the Issuer that the Bond be sold to the West Virginia Water Development Authority (the "Purchaser"), for the benefit of the West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council"), pursuant to the terms and provisions of a binding commitment letter (the "Commitment Letter"), and the terms and provisions of a loan agreement by and between the Issuer and the Purchaser (the "Loan Agreement"), which Loan Agreement is in form satisfactory to both parties, is approved hereby if not previously approved by resolution of the Issuer.

J. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System, and the issuance of the Bond, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof, by the Infrastructure Council and obtaining of a certificate of public convenience and necessity from the Public Service Commission of West Virginia (the "PSC") by final order, the time for rehearing and appeal of which expired prior to the issuance of the Bond.

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

Section 1.03. Resolution to Constitute Contract. In consideration of the acceptance of the Bond by the Purchaser, this Resolution (the "Resolution") shall be deemed to be and shall constitute a contract between the Issuer and the Purchaser, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Bond.

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

"Act" means, collectively, Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended and in effect on the date of enactment hereof.

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

"2021 Bond", "2021 Series Bond" or "Bond" means the Walton Public Service District, Water Revenue Bond (West Virginia IJDC Program), Series 2021, in an amount not to exceed $600,000, authorized by this resolution.

"Bonds" means the 1986 Bond, the 1991 Bond, the 1994 A and B Bonds, the 1997 Bond, the 2005 Bond, the 2008 Bond, the 2021 Bond and any Parity Bonds.

"1986 Bond" means the outstanding bond of the Issuer dated November 5, 1987, described in Section 1.02 F.(i) herein.

"1991 Bond" means the outstanding bond of the Gandeeville Public Service District (now a part of the Issuer) dated September 17, 1991, described in Section 1.02 F. (ii) herein.

"1994 Bonds" means the outstanding bonds of the Issuer dated February 16, 1994, described in Section 1.02 F.(iii) herein.

"1997 Bond" means the outstanding bond of the Issuer dated October 9, 1997, described in Section 1.02 F.(iv) herein.

"2005 Bond" means the outstanding bond of the Issuer dated April 14, 2005, described in Section 1.02 F.(v) herein.

"2008 Bond" means the outstanding bond of the Issuer dated July 3, 2008, described in Section 1.02 F.(vi) herein.

"Chairman" means the Chairman of the Governing Body.

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

"Commitment Letter" means the Binding Commitment Letter of the West Virginia Infrastructure and Jobs Development Council, and any other amendments thereto.

"Consulting Engineer" means Dunn Engineers, Inc., Charleston, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

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

"Depository Bank" means initially Poca Valley Bank, Inc., Walton, West Virginia, a bank or trust company, which is a member of FDIC and its successors and assigns or such other qualified bank or trust company designated now or hereafter by Issuer.

"Facilities" or "water facilities" means all the land and tangible properties of the System and also any tangible properties which may hereafter be added to the water system by addition, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Public Service Board of the Issuer.

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

"Herein" means in this Resolution.

"Holder of the Bond," "Registered Owner" or any similar term means any person who shall be the registered owner of the Bond.

"IJDC" means the West Virginia Infrastructure and Jobs Development Council, or any other agency, board or department of the State that succeeds the function of the IJDC.

"Issuer" or "PSD" means Walton Public Service District, Roane and Kanawha Counties, West Virginia, and, where appropriate, also means the Governing Body.

"Net Revenues" means the balance of the gross revenues, as defined below, remaining after deduction only of Operating Expenses, as defined below.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the Administrative Fee, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices, and retention of a sum not to exceed one-sixth of the budgeted operating expenses stated above for the current year as working capital, and language herein requiring payment of operating expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Bonds and into the Reserve Fund have been made to the last monthly payment date prior to the date of such retention.

"Parity Bonds" means any additional parity bonds issued in the future pursuant to Section 6.07 of this Resolution.

"Paying Agent" means the Commission or other entity designated as such for the 2021 Bond in the Supplemental Resolution.

"Prior Bonds" means, collectively, 1986 Bond, 1991 Bond, 1994 Bonds, 1997 Bond, 2005 Bond and 2008 Bond.

"Prior Resolutions" means, collectively, 1986 Resolution, 1991 Resolution, 1994 Resolution, 1997 Resolution, 2005 Resolution and 2008 Resolution.

"Project" shall have the meaning stated in Section 1.02 B. of this Resolution.

"Purchaser" means West Virginia Water Development Authority, for the benefit of the IJDC, and any successor thereof.

"Qualified Investments" means and include any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidence of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land

Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor, must have (or its agent must have) possession of such collateral, and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C, of the West Virginia Code of 1931, as amended; and

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

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

"Resolution" means this Resolution and all resolutions supplemental hereto.

"1986 Resolution" means the resolution providing for the 1986 Bond, adopted November 5, 1987.

"1991 Resolution" means the resolution providing for the 1991 Bond, adopted September 17, 1991.

"1994 Resolution" means the resolution providing for the 1994 Bonds, adopted February 16, 1994.

"1997 Resolution" means the resolution providing for the 1997 Bond, adopted October 8, 1997.

"2005 Resolution" means the resolution providing for the 2005 Bond, adopted April 5, 2005.

"2008 Resolution" means the resolution providing for the 2008 Bond, adopted July 3, 2008.

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

"Secretary" means the Secretary of the Governing Body.

"Series 2021 Construction Fund" means the 2021 Bond Construction Fund created by Section 5.01 of this Resolution.

"Series 2021 Bond Reserve Account" means the Series 2021 Bond Reserve Account created by Section 4.02 hereof.

"Series 2021 Bond Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the 2021 Bond in the then current or any succeeding year.

"Series 2021 Bond Sinking Fund" means the Series 2021 Bond Sinking Fund created by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds of the 2021 Bond and the Prior Bonds.

"System" means the Project initially, and all existing water facilities owned by the Issuer and all Facilities and other property of every nature, real or personal, now or hereafter acquired and/or owned, held or used in connection with the System, including mains, hydrants, meters, valves, standpipes, storage tanks, pump tanks, pumping stations, intakes, wells, impounding

reservoirs, pumps, machinery, purification plants, softening apparatus and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a public water system; and shall also include any and all additions, extensions, improvements, replacements, properties or other facilities at any time acquired or constructed for said water system after completion of the Project.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of $989,800, in accordance with the plans and specifications which have been prepared by the Consulting Engineer, heretofore filed in the office of the Governing Body. The proceeds of the Bond hereby authorized shall be applied as provided in Article V hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUANCE OF BOND

Section 3.01. Authorization of Bond. Subject and pursuant to the provisions hereof, the Bond of the Issuer to be known as "Walton Public Service District, Water Revenue Bond (West Virginia IJDC Program), Series 2021" in the principal amount not to exceed $600,000, is hereby authorized to be issued for the purpose of financing a portion of the cost of the construction and acquisition of the Project and paying the costs of issuance of the Bond.

Section 3.02. Description of Bond. The Bond shall be issued as a single registered bond, No. R-l, and shall be dated on the date of delivery. The Bond shall bear interest at the rate of two percent (2.0%), payable quarterly over a thirty (30) year term, as set forth in the Loan Agreement.

The Bond shall be subject to prepayment of scheduled installments, or any portion thereof, at the option of the Issuer, with the consent of the Authority, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Execution of Bond. The Bond shall be executed in the name of the Issuer by its Chairman, and its corporate seal shall be affixed thereto and attested by its Secretary, and the Chairman and the Secretary are hereby authorized to execute the Bond and such other documents as are necessary to finalize this transaction. In case any one or more of the officers who shall have signed or sealed the Bond shall cease to be such officer of the Issuer before the Bond so signed and sealed have been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bond had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.04. Negotiability, Registration, Transfer and Exchange of Bond. The Bond shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, but the Bond may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.05 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar. No interest in the Bond shall be transferable except by means of transfer of registration of a Bond representing such interest and delivery of a new Bond or Bonds in exchange therefor in accordance with this Bond Resolution.

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

No registration of transfer of the Bond shall be permitted to be made after the 15th day next preceding any installment payment date on that Bond.

Section 3.05. Registrar. The Registrar for the 2021 Bond shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No such Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.08 hereof, 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 Resolution. The Certificate of Authentication and Registration on any such Bonds shall be deemed to have been executed by the Registrar if manually 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 such Bonds issued hereunder.

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

Section 3.07. Bond Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2021 Bond shall be secured forthwith by a parity lien with the 1986 Bond, the 1991 Bond, the 1994 Bonds, the 1997 Bond, the 2005 Bond and the 2008 Bond on the Net Revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2021 Bond and the Prior Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due.

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

(FORM OF BOND)

$_____
WALTON PUBLIC SERVICE DISTRICT
WATER REVENUE BOND (WEST VIRGINIA IJDC PROGRAM)
SERIES 2021

No. R-l Date: _____ __, 2021

FOR VALUE RECEIVED, the WALTON PUBLIC SERVICE DISTRICT, a public service district created and expanded pursuant to the Act by orders issued by The County Commissions of Roane and Kanawha Counties, in Roane and Kanawha Counties, West Virginia (herein called "Issuer"), hereby promises to pay to the order of the West Virginia Water Development Authority (the "Authority"), for the benefit of the West Virginia Infrastructure and Jobs Development Council, or registered assigns, at 1009 Bullitt Street, Charleston, West Virginia 25301, or at such other place as the Authority may hereafter designate in writing, the principal sum of _____ Dollars ($___,___), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the Record of Advances attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 202_, as set forth on the Debt Service Schedule attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at the rate of two percent (2.0%) per annum, as set forth in the Loan Agreement. Principal and interest installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "IJDC"), 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 IJDC, dated _____ __, 2021.

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

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of United Bank, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

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

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code (collectively, the "Act").

THIS BOND IS ON PARITY AS TO LIEN AND SOURCE OF PAYMENT WITH THE WATER REVENUE BOND, SERIES 1986, WATER REVENUE BOND, SERIES 1991, WATER REVENUE BONDS, SERIES 1994A AND SERIES 1994B, WATER REVENUE BOND, SERIES 1997, WATER REVENUE BOND, SERIES 2005, AND WATER REVENUE BOND. SERIES 2008 (COLLECTIVELY, THE "PRIOR BONDS") OF THE ISSUER DESCRIBED IN THE RESOLUTIONS ISSUED WITH RESPECT TO EACH SERIES.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Parity Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2021 Bond Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. 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, except from said special fund provided from the Net Revenues, the moneys in the Series 2021 Bond Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount of principal of and interest, if any, on this Bond payable in any year and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Parity Bonds; provided however, that so long as there exists in the Series 2021 Bond Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Parity 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 Owner (as defined in the Resolution) of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

The initial address of Authority for purposes of bond registration is 1009 Bullitt Street, Charleston, WV 25301.

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

WALTON PUBLIC SERVICE DISTRICT

(SEAL)

By: _____
Chairman
P.O. Box 118
Walton, WV 25286

ATTEST:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2021 Bond described in the within-mentioned Resolution and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____ __, 2021.

United Bank, as Registrar

By: _____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $	_/__/21	(6) $	
(2) $		(7) $	
(3) $		(8) $	
(4) $		(9) $	
(5) $		(10) $	

TOTAL $ _____

(Form of Assignment)

ASSIGNMENT

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

DATED: _____.

_____

In the presence of:

_____

EXHIBIT B

DEBT SERVICE SCHEDULE

BOND REGISTER

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
WALTON PUBLIC SERVICE DISTRICT
WATER REVENUE BOND (WEST VIRGINIA IJDC PROGRAM)
SERIES 2021

Bond Number	Principal Amount	Date of Bond
No. R-1	$___,___	_____ __, 2021

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

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

Signature of Registrar:

United Bank

By: _____
Its: _____

Section 3.09. Sale of Bond; Approval and Ratification of Execution of Loan Agreement. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated into this Resolution. The Bond shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.10. Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority and the IJDC, the respective schedules, the forms of which will be provided by the Authority and the IJDC, setting forth the actual costs of the 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 and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund or System Revenue Fund;

(2) Operation and Maintenance Fund;

(3) Renewal and Replacement Fund; and

(4) Construction Fund.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special accounts are hereby created or continued with the Commission:

(1) Series 2021 Bond Sinking Fund; and

(2) Series 2021 Bond Reserve Account.

Section 4.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in and this Resolution. All moneys in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(2) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) make the interest payments on the Prior Bonds in the amounts required by the Prior Resolutions for payment of interest on the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of interest of the Bond, remit to the Commission for deposit in the Series 2021 Bond Sinking Fund, an amount equal to 1/3rd of the amount of interest which will mature and become due on the Bond 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 2021 Bond 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 first, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) make the principal payments on the Prior Bonds in the amounts required by the Prior Resolutions for payment of principal on the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Bond, remit to the Commission for deposit in the Series 2021 Bond Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Bond 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 2021 Bond 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, (i) make the reserve account payments into the Reserve Accounts for the Prior Bonds in the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of principal of the Bond, if not fully funded upon issuance of the Bond, remit to the Commission for deposit in the Series 2021 Bond Reserve Account, an amount equal to 1/120th of the Series 2021 Bond Reserve Requirement; provided that, no further payments shall be made into the Series 2021 Bond 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 2021 Bond Reserve Requirement.

(5) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund the amount required by the Prior Resolutions, provided that, so long as the Bond is outstanding, payments to the Renewal and Replacement Fund shall equal 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided that, any deficiencies in any

Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2021 Bond Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Bond as the same shall become due. Moneys in the Series 2021 Bond Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Bond as the same shall come due, when other moneys in the Series 2021 Bond Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2021 Bond Sinking Fund and the Series 2021 Bond Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Construction Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2021 Bond Reserve Account which result in a reduction in the balance therein to below the Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

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

The Issuer shall not be required to make any further payments into the Series 2021 Bond Sinking Fund or the Series 2021 Bond Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Bond issued pursuant to this Resolution then Outstanding.

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

The Commission is hereby designated as the fiscal agent for the administration of the Series 2021 Bond Sinking Fund and the Series 2021 Bond Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2021 Bond Sinking Fund and the Series 2021 Bond Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2021 Bond Sinking Fund and the Series 2021 Bond Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Bond under the conditions and restrictions set forth herein.

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

C. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payments and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as 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 Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

ARTICLE V

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 5.01. Application of Bond Proceeds. From the moneys received from time to time from the sale of any or all of the Bond, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Bond, there shall be deposited with the Commission in the Series 2021 Bond Reserve Account the sum, if any, required hereunder for funding the Series 2021 Bond Reserve Account.

B. The remaining moneys derived from the sale of the Bond shall be deposited by the Issuer as received from time to time in the Construction Fund established hereunder.

C. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Construction Fund and shall comply with all requirements with respect to the disposition of the Construction Fund set forth in this Resolution. Moneys in the Construction Fund shall be used solely to pay Costs of the Project and, until so transferred or expended, are hereby pledged as additional security for the Bond.

Section 5.02. Disbursements From the Construction Fund. On or before the Closing Date, the Issuer shall have delivered to the IJDC a report listing the specific purposes for which the proceeds of the Bond will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for the costs of the Project shall be made monthly.

Except as provided in Section 5.01 hereof, disbursements of the proceeds of the Bond from the Construction Fund shall be made only after submission to and approval from the IJDC of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement for the Bond, in compliance with the Issuer's construction schedule, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

Pending such application, moneys in the Construction Fund, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer. The Issuer shall expend all proceeds of the Bond within 3 years of the date of issuance of the IJDC's bonds, the proceeds of which were used to make the loan to the Issuer.

ARTICLE VI

GENERAL COVENANTS

Section 6.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Registered Owner of the Bond. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Registered Owner of the Bond as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as the Bond is Outstanding and unpaid.

Section 6.02. Bond not to be Indebtedness of the Issuer. The Bond shall not be nor 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 Resolution. No Registered Owner of the Bond shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bond.

Section 6.03. Bond Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Bond shall be secured equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Bond and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in this Resolution are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in this Resolution.

Section 6.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law, has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal, and has provided an opinion of counsel to the Issuer to such effect, all as more fully set forth in Section 7.01. Such rates and charges shall be sufficient to comply with the

requirements of the Loan Agreement, and the Issuer shall provide a certificate of an Independent Certified Public Accountant to such effect. The schedule of rates and charges for the services and facilities of the System shall be as set forth in the tariff of the Issuer filed with the Commission on July 19, 2021.

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

Section 6.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, except as provided in the Prior Resolutions. So long as the Bond is outstanding and except as otherwise required by law or with the written consent of the Authority and the IJDC, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay the Bond then Outstanding, in accordance with Article IX hereof; provided that, any sale or disposition of the properties of the System in excess of $100,000 shall require the written consent of the Authority. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bond, immediately be remitted to the Commission for deposit in the Sinking Fund, and, with the written permission of the Authority and the IJDC, or in the event the Authority is no longer a Registered Owner, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of the Bond. Any balance remaining after the payment of the Bond shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine, upon consultation with a professional engineer, that such property comprising a part of the System is

no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be remitted by the Issuer to the Commission for deposit in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into such funds by other provisions of this Resolution.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding, without the prior approval and consent in writing of the Registered Owners, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Registered Owners of the 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 for in Section 6.06 and Section 6.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bond. All obligations issued by the Issuer after the issuance of the Bond 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 Bond; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Resolution have been made and are current at the time of the issuance of such subordinate obligations.

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

The Issuer shall give the Authority and the IJDC 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 Project, or any other obligations related to the 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 Resolutions shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Bond pursuant to this Resolution, without the prior written consent of the Authority and the IJDC and without complying with the conditions and requirements herein provided.

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

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

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

(1) The Bonds then Outstanding;

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

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

The foregoing limitation may be waived or modified by the written consent of the Registered Owners of the Prior Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Prior Bonds held by the United States Department of Agriculture are no longer outstanding, the following parity requirement shall be met:

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

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, 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 shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Registered Owners of the Bonds and the Registered Owners of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. All Parity Bonds, 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 source of and security for payment from such revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

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

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

Section 6.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the IJDC, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the IJDC such documents and information as they may reasonably

require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the 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 Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Issuer shall direct.

The Issuer shall file with the Authority and the IJDC, or any Registered Owner of the Bond, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by the Independent Certified Public Accountant (and to the extent legally required, in compliance with 2CFR 200 Subpart F, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountant, or a summary thereof, to any Registered Owner of the Bond and shall submit said report to the Authority and the IJDC, or any Registered Owner of the Bond. Such audit report submitted to the Authority and the IJDC 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 Gross Revenues of the

System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

The Issuer shall provide the IJDC 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 Bond or as promulgated from time to time.

Section 6.09. Rates. Prior to the issuance of the Bond, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any succeeding Fiscal Year for payment of principal of the Bond and all other obligations secured by a lien on or payable from such revenues on a parity with the Bond, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirement are on deposit in the Series 2021 Bond Reserve Account and the Reserve Accounts for obligations on a parity with the Bond, including the Prior Bonds, are funded at least at the requirement therefor, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any Fiscal Year for payment of principal of the Bond and all other obligations secured by a lien on or payable from such revenues on a parity with the Bond, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 6.04.

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 the IJDC within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall within 30 days of adoption thereof mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the IJDC and any Registered Owner of the Bond and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the IJDC and any Registered Owner of the Bond or anyone acting for and on behalf of such Registered Owner.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority and the IJDC by the 10th day of each month.

Section 6.11. Engineering Services and Operating Personnel. The Issuer shall obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the IJDC, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the IJDC is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and State laws for construction of the Project have been obtained.

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

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

Section 6.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the PSC and other laws of the State 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 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 of the System until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 6.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Bond remains Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Section 38-2-39.

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the IJDC. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear. The Issuer shall verify such insurance prior to commencement of construction.

Section 6.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the PSC, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 6.17. Completion of Project; Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and State requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals required by State law and the Infrastructure Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Bond required by State law, with all requisite appeal periods having expired without successful appeal.

Section 6.18. Compliance with Loan Agreements and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer shall provide the IJDC with copies of all documents submitted to the Authority.

The Issuer shall also comply with all applicable laws, rules and regulations issued by the Authority, the IJDC or other State, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

The Issuer shall serve the amount of additional customers and location as required by the Loan Agreement. The Issuer shall not reduce the amount of customers served by the Project without the prior written consent of the Board of the Authority.

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

Section 6.20. [Reserved]

Section 6.21. Contracts; Public Releases.

A. The Issuer shall, simultaneously with the delivery of the Bond or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Authority and the IJDC for written approval. The Issuer shall obtain the written approval of the Authority and the IJDC before expending any proceeds of the Bond held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Authority and the IJDC before expending any proceeds of the Bond made available due to bid or construction or project underruns.

C. The Issuer shall list the funding as being provided by the Authority and the IJDC 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 ground breaking or dedication of the Project.

ARTICLE VII

RATES, RULES, COVENANTS, ETC.

Section 7.01. Schedule of Rates and Charges.

A. The schedule of rates and charges for the services and facilities of the System shall be as set forth in a Recommended Decision from the Public Service Commission issued on December 2, 2020, in Case Number 19-1002-PWD-CN, and will go into effect upon substantial completion of the project, which Recommended Decision is incorporated herein by reference and is made a part hereof.

B. The Issuer hereby modifies and adopts to the extent necessary the rates and charges as set out in the above-referenced Recommended Decision and included on a tariff sheet filed with the Public Service Commission on July 19, 2021.

Section 7.02. Further Covenants

The Issuer hereby further covenants and agrees as follows:

A. There shall not be any discrimination or differential in rates between customers in similar circumstances.

B. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

C. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises.

D. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. The Issuer shall have such remedies and powers as are provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges.

E. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other Revenues of the System.

ARTICLE VIII

INVESTMENTS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such 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 Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often

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 Bond is Outstanding and as long thereafter as necessary to comply with the Code.

Section 8.02. Certificate 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 Bond as a condition to issuance of such Bonds.

The Issuer shall annually furnish to the Authority bank statements and all investment information for the funds and accounts related to the proceeds of the Bond and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bond:

(1) If default occurs in the due and punctual payment of the principal of the Bond; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bond set forth in this Resolution, any supplemental resolution or in the Bond, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Authority, the Depository Bank, the Registrar, the Paying Agent or the Registered Owner of the Bond; or

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

(4) If default occurs with respect to the Prior Bonds or the Prior Resolutions.

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

Bond, or the rights of such Registered Owner; provided that, all rights and remedies of the Registered Owner of the Bond shall be on a parity with the Registered Owners of the Prior Bonds.

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

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

Such receiver, in the performance of the powers 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 in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer

and the Registered Owners and the curing and making good of any Event of Default with respect thereto under the provisions of this Resolution, and the title to and ownership of 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 X

PAYMENT OF BOND

Section 10.01. Payment of Bond. The Bond may be prepaid or redeemed prior to their stated dates of maturity only with the written consent of the Authority and upon payment of the outstanding principal due on the 2021 Bond and upon the terms and conditions set forth in the Loan Agreement. If the Issuer shall pay or there shall otherwise be paid to the Registered Owner of the Bond, the principal of and redemption premium, at the times and in the manner stipulated therein and in the Loan Agreement and this Resolution, then the pledge of Net Revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Bond shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Payment of Bond; Bond Not Subject to Defeasance. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Bond, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Resolution, then with respect to the Bond, the pledge of Net Revenues and other moneys and securities pledged under this Bond Resolution and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Bond, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through direct payment to the Holder of the Bond of the outstanding principal of and accrued interest on the Bond, the Issuer may not defease the Bond or otherwise provide for payment thereof by escrow or like manner.

Section 11.02. Filing Under Uniform Commercial Code. Contemporaneously with the delivery of the Bond, the Issuer shall execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and promptly thereafter shall file such Financing Statements in the office of the Secretary of State of West Virginia.

Section 11.03. Delivery of Bond. The Chairman and Secretary of the Governing Body are hereby authorized and directed to cause the Series 2021 Bond, numbered R-l, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 11.04. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bonds.

Section 11.05. Conflicting Provisions Repealed. The Prior Resolutions and all parts thereof not expressly hereby changed shall continue in full force and effect, and this Bond Resolution shall be supplemental to the Prior Resolutions.

Section 11.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 11.07. Modification or Amendment. The Bond Resolution may not be modified or amended in any material manner after final passage without the prior written consent of the Purchaser and/or holder of the Bond.

Section 11.08. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.09. Supplemental Resolutions. The Issuer may pass such supplemental resolutions, if necessary, to effectuate the purposes and intent of this Resolution.

Section 11.10. Effective Time. This Resolution shall take effect immediately upon its adoption.

Section 11.11 Notice of Meeting and Bond Issue. An abstract of this Bond Resolution, determined by the Governing Body to contain sufficient information as to give notice of the contents hereof, has been published once in a qualified newspaper published and of general circulation in the Walton Public Service District, together with a notice stating that this Bond Resolution will be considered, that the Issuer contemplates the issuance of the Bond, that any person interested may appear before the Public Service Board upon a date certain, not less than ten (10) days subsequent to the date of publication of such abstract of this Bond Resolution and notice, and present protests, and that a certified copy of the Resolution is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such meeting, all objections and suggestions were heard, and the Governing Body took such action, as it deemed proper in the premises.

WPSD
WALTON PUBLIC SERVICE DISTRICT
5462 CHARLESTON RD, WALTON WV 25286

WALTON PUBLIC SERVICE DISTRICT

[SEAL]

By: _____
Chairman

Attest:

By: _____
Secretary

CERTIFICATION

I, Rodney Cox, Secretary of the Walton Public Service District, hereby certify that the foregoing is a true and correct copy of a Resolution approved at a meeting of the Public Service Board of the Walton Public Service District held on August 24, 2021. I further hereby certify that the action of said Public Service Board set forth therein remains in full force and effect and has not been amended or repealed.

WITNESS my signature on this 24th day of August, 2021.

Secretary

STATE OF WEST VIRGINIA,

COUNTY OF ROANE, to-wit:

The foregoing instrument was acknowledged before me this 24th day of August, 2021, by Larry Harpold, the Chairman of the Walton Public Service District, a public service district created and expanded pursuant to the Act by orders issued by The County Commissions of Roane and Kanawha Counties, on behalf of said public service district.

My commission expires November 26, 2024.

Luke Peters
NOTARY PUBLIC

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
Luke Peters
Mid-Ohio Valley Regional Council
709 Market Street
Parkersburg, WV 26101
My Commission Expires November 26, 2024

WALTON PUBLIC SERVICE DISTRICT
WATER REVENUE BOND (WEST VIRGINIA IJDC PROGRAM)
SERIES 2021

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATES, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE WALTON PUBLIC SERVICE DISTRICT, WATER REVENUE BOND (WEST VIRGINIA IJDC PROGRAM), SERIES 2021; AUTHORIZING AND APPROVING THE LOAN AGREEMENT RELATING TO SUCH BOND AND THE SALE AND DELIVERY OF SUCH BOND TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BOND.

WHEREAS, the Public Service Board (the "Governing Body") of the Walton Public Service District (the "Issuer") has duly and officially adopted a Bond Resolution on August 24, 2021 (the "Bond Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SERVICE PROPERTIES AND ISSUANCE OF A WATER REVENUE BOND (WEST VIRGINIA IJDC PROGRAM), SERIES 2021, OF THE WALTON PUBLIC SERVICE DISTRICT, IN THE AMOUNT OF NOT MORE THAN $600,000, TO FINANCE THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO A PUBLIC WATER SYSTEM; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PLACING LIMIT ON SALE OF SYSTEM; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDER OF THE BOND; AUTHORIZING THE DISTRICT TO ENTER INTO A LOAN AGREEMENT WITH THE PURCHASER OF THE BOND; PROVIDING STATUTORY LIEN ON REVENUES AND SYSTEM; PROVIDING FOR THE ADOPTION, RATIFICATION, APPROVAL AND COLLECTION OF RATES AND CHARGES FOR THE PUBLIC WATER SYSTEM; AND PROVIDING GENERAL TERMS AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT.

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

WHEREAS, the Resolution provides for the issuance of the Water Revenue Bond (West Virginia IJDC Program), Series 2021, in the aggregate principal amount of not to exceed $600,000;

WHEREAS, the Bond Resolution provides for the issuance of the Bond, and has authorized the execution and delivery of a loan agreement relating to the Bond, including all schedules and exhibits attached thereto, by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "IJDC"), (the "Loan Agreement"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the exact principal amount, dates, maturity date, interest rate, payment schedule, sale price and other terms of the Bond should be established by a supplemental resolution, and that other matters relating to the Bond be herein provided for;

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

WHEREAS, the Bond is proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body 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, dates, maturity date, interest rate, payment schedule, sale price and other terms of the Bond be fixed hereby in the manner stated herein, and that other matters relating to the Bond be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE WALTON PUBLIC SERVICE DISTRICT, WEST VIRGINIA, AS FOLLOWS:

Section 1. It is hereby found and determined that:

(A) The Notice of Public Hearing and Abstract of Bond Resolution (the "Notice") was duly published in *Roane County Reporter*, a qualified newspaper of general circulation in the Issuer, with the publication thereof being not less than 10 days before the day set by the Bond Resolution and the Notice for the public hearing at which interested persons may appear before the Governing Body and present protests and suggestions, and a copy of the Affidavit of Publication reflecting such publication is incorporated herein by reference;

(B) In accordance with the Bond Resolution and the Notice, the Secretary has maintained in her office a certified copy of the Bond Resolution for review by interested persons during the regular office hours of such office;

(C) At the Issuer's office in Walton, West Virginia, on August 24, 2021, at 5:00 p.m., prevailing time, in accordance with the Bond Resolution and the Notice, the Governing Body met for the purpose of hearing protests and suggestions regarding whether the Bond Resolution

should be put into effect and heard all protests and suggestions with regard thereto;

(D) At the public hearing, no significant reasons were presented that would require modification or amendment of the Bond Resolution; and

(E) The Bond Resolution was adopted and the Bond contemplated thereby shall be issued, all as provided in the Bond Resolution and this Supplemental Resolution.

Section 2. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following bond of the Issuer:

Water Revenue Bond (West Virginia IJDC Program), Series 2021, of the Issuer, originally represented by a single Bond, numbered R-1, in the original principal amount of $544,900. The Series 2021 Bond shall be dated the date of delivery, shall finally mature December 1, 2052, and shall bear at a rate of 2% per annum. The principal of the Series 2021 Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2022, 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 2021 Bond. The Series 2021 Bond shall be subject to redemption upon the written consent of the Authority and the IJDC, 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 2021 Bond.

Section 3. All other provisions relating to the Bond and the text of the Bond shall be in substantially the form provided in the Bond Resolution.

Section 4. The Issuer hereby ratifies, approves and accepts 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 Chairman, 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 application to the Authority and the Council. The price of the Bond shall be 100% of par value, there being no interest accrued thereon.

Section 5. The Issuer hereby appoints and designates United Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bond under the Bond Resolution and approves and accepts the Registrar's Agreement to be dated the date of delivery of the Bond, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed and approved.

Section 6. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Bond under the Bond Resolution.

Section 7. The Issuer hereby appoints and designates Poca Valley Bank, Walton, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 8. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bond hereby and by the Bond Resolution approved and provided for, to the end that the Bond may be delivered to the Authority pursuant to the Loan Agreement on or about January 30, 2021.

Section 9. The acquisition and construction of the Project and the financing thereof with proceeds of the Bond 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 10. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2021 Bond Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 11. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 12. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 13. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 24th day of August, 2021.

Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Governing Body of the Walton Public Service District on the 24th day of August, 2021.

Dated this 24th day of August, 2021.

[SEAL]

Secretary

WPSD
WALTON PUBLIC SERVICE DISTRICT
5482 CHARLESTON RD, WALTON WV 25286

Adopted this 24th day of August, 2021.

Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Governing Body of the Walton Public Service District on the 24th day of August, 2021.

Dated this 24th day of August, 2021.

[SEAL]

Secretary

WPSD
WALTON PUBLIC SERVICE DISTRICT
5462 CHARLESTON RD, WALTON WV 25286

Adopted this 24th day of August, 2021.

Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Governing Body of the Walton Public Service District on the 24th day of August, 2021.

Dated this 24th day of August, 2021.

[SEAL]

WPSD
WALTON PUBLIC SERVICE DISTRICT
5462 CHARLESTON RD, WALTON WV 25286

Secretary

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$544,900
WALTON PUBLIC SERVICE DISTRICT
WATER REVENUE BOND (WEST VIRGINIA IJDC PROGRAM)
SERIES 2021

No. R-1 Date: September 8, 2021

FOR VALUE RECEIVED, the WALTON PUBLIC SERVICE DISTRICT, a public service district created, expanded and contracted pursuant to the Act by orders issued by The County Commissions of Roane and Kanawha Counties (herein called "Issuer"), hereby promises to pay to the order of the West Virginia Water Development Authority, as administrator for the West Virginia Infrastructure and Jobs Development Council (the "Authority") or registered assigns, at 1009 Bullitt Street, Charleston, West Virginia 25301, or at such other place as the Authority may hereafter designate in writing, the principal sum of Five Hundred Forty Four Thousand Nine Hundred and 00/100 Dollars ($544,900), 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 December 1, 2022, as set forth on the Debt Service Schedule attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at a rate of two percent (2%) per annum. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "IJDC"), 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 IJDC, dated September 8, 2021.

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

This Bond and the Prior Bonds, as hereinafter defined, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to a water system (the "System") of the Issuer, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of

SPECIMEN

operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of United Bank, Inc.,, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Legislation, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

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

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code (collectively, the "Act").

THIS BOND IS ON PARITY AS TO LIEN AND SOURCE OF PAYMENT WITH THE WATER REVENUE BOND, SERIES 1987, WATER REVENUE BOND, SERIES 1991, WATER REVENUE BONDS, SERIES 1994 A and B, WATER REVENUE BOND, SERIES 1997, WATER REVENUE BOND, SERIES 2005, AND WATER REVENUE BOND, SERIES 2008 (COLLECTIVELY, THE "PRIOR BONDS") OF THE ISSUER DESCRIBED IN THE RESOLUTIONS ISSUED WITH RESPECT TO EACH SERIES.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2021 Bond Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. 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, except from said special fund provided from the Net Revenues, the moneys in the Series 2021 Bond Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount of principal of and interest, if any, on this Bond payable in any year and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2021 Bond Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the

SPECIMEN

respective reserve accounts established for any other obligations outstanding on a parity with this Bond, 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 Owner (as defined in the Resolution) of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

The initial address of Authority for purposes of bond registration is 1009 Bullitt Street, Charleston, WV 25301.

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

WALTON PUBLIC SERVICE DISTRICT

(SEAL)

By: _____
Chairman
Walton, WV

SPECIMEN

ATTEST:

By: _____
Secretary

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2021 Bond described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: September 8, 2021.

United Bank, as Registrar

By: _____
Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$114,678.86	9/8/21	(6)	$	
(2)	$		(7)	$	
(3)	$		(8)	$	
(4)	$		(9)	$	
(5)	$		(10)	$	

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TOTAL $ _____

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(Form of Assignment)

ASSIGNMENT

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

DATED: _____.

_____

In the presence of:

_____

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EXHIBIT B

DEBT SERVICE SCHEDULE

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SCHEDULE Y
DEBT SERVICE SCHEDULE

Bond Debt Service
Walton PSD
IJDC Loan
$544,900
2% Interest Rate
30 Years

Dated Date	9/8/2021
Delivery Date	9/8/2021

Period Ending	Principal	Coupon	Interest	Debt Service
12/1/2022	3,325	2.000%	2,724.50	6,049.50
3/1/2023	3,342	2.000%	2,707.88	6,049.88
6/1/2023	3,358	2.000%	2,691.17	6,049.17
9/1/2023	3,375	2.000%	2,674.38	6,049.38
12/1/2023	3,392	2.000%	2,657.50	6,049.50
3/1/2024	3,409	2.000%	2,640.54	6,049.54
6/1/2024	3,426	2.000%	2,623.50	6,049.50
9/1/2024	3,443	2.000%	2,606.37	6,049.37
12/1/2024	3,460	2.000%	2,589.15	6,049.15
3/1/2025	3,478	2.000%	2,571.85	6,049.85
6/1/2025	3,495	2.000%	2,554.46	6,049.46
9/1/2025	3,513	2.000%	2,536.99	6,049.99
12/1/2025	3,530	2.000%	2,519.42	6,049.42
3/1/2026	3,548	2.000%	2,501.77	6,049.77
6/1/2026	3,566	2.000%	2,484.03	6,050.03
9/1/2026	3,583	2.000%	2,466.20	6,049.20
12/1/2026	3,601	2.000%	2,448.29	6,049.29
3/1/2027	3,619	2.000%	2,430.28	6,049.28
6/1/2027	3,637	2.000%	2,412.19	6,049.19
9/1/2027	3,656	2.000%	2,394.00	6,050.00
12/1/2027	3,674	2.000%	2,375.72	6,049.72
3/1/2028	3,692	2.000%	2,357.35	6,049.35
6/1/2028	3,711	2.000%	2,338.89	6,049.89
9/1/2028	3,729	2.000%	2,320.34	6,049.34
12/1/2028	3,748	2.000%	2,301.69	6,049.69
3/1/2029	3,767	2.000%	2,282.95	6,049.95
6/1/2029	3,785	2.000%	2,264.12	6,049.12
9/1/2029	3,804	2.000%	2,245.19	6,049.19
12/1/2029	3,823	2.000%	2,226.17	6,049.17
3/1/2030	3,842	2.000%	2,207.06	6,049.06
6/1/2030	3,862	2.000%	2,187.85	6,049.85
9/1/2030	3,881	2.000%	2,168.54	6,049.54
12/1/2030	3,900	2.000%	2,149.13	6,049.13
3/1/2031	3,920	2.000%	2,129.63	6,049.63
6/1/2031	3,940	2.000%	2,110.03	6,050.03
9/1/2031	3,959	2.000%	2,090.33	6,049.33
12/1/2031	3,979	2.000%	2,070.54	6,049.54
3/1/2032	3,999	2.000%	2,050.64	6,049.64
6/1/2032	4,019	2.000%	2,030.65	6,049.65
9/1/2032	4,039	2.000%	2,010.55	6,049.55
12/1/2032	4,059	2.000%	1,990.36	6,049.36
3/1/2033	4,079	2.000%	1,970.06	6,049.06
6/1/2033	4,100	2.000%	1,949.67	6,049.67

SPECIMEN

Bond Debt Service
Walton PSD
IJDC Loan
$544,900
2% Interest Rate
30 Years

Period Ending	Principal	Coupon	Interest	Debt Service
9/1/2033	4,120	2.000%	1,929.17	6,049.17
12/1/2033	4,141	2.000%	1,908.57	6,049.57
3/1/2034	4,162	2.000%	1,887.86	6,049.86
6/1/2034	4,182	2.000%	1,867.05	6,049.05
9/1/2034	4,203	2.000%	1,846.14	6,049.14
12/1/2034	4,224	2.000%	1,825.13	6,049.13
3/1/2035	4,246	2.000%	1,804.01	6,050.01
6/1/2035	4,267	2.000%	1,782.78	6,049.78
9/1/2035	4,288	2.000%	1,761.44	6,049.44
12/1/2035	4,310	2.000%	1,740.00	6,050.00
3/1/2036	4,331	2.000%	1,718.45	6,049.45
6/1/2036	4,353	2.000%	1,696.80	6,049.80
9/1/2036	4,374	2.000%	1,675.03	6,049.03
12/1/2036	4,396	2.000%	1,653.16	6,049.16
3/1/2037	4,418	2.000%	1,631.18	6,049.18
6/1/2037	4,440	2.000%	1,609.09	6,049.09
9/1/2037	4,463	2.000%	1,586.89	6,049.89
12/1/2037	4,485	2.000%	1,564.58	6,049.58
3/1/2038	4,507	2.000%	1,542.15	6,049.15
6/1/2038	4,530	2.000%	1,519.62	6,049.62
9/1/2038	4,553	2.000%	1,496.97	6,049.97
12/1/2038	4,575	2.000%	1,474.20	6,049.20
3/1/2039	4,598	2.000%	1,451.33	6,049.33
6/1/2039	4,621	2.000%	1,428.34	6,049.34
9/1/2039	4,644	2.000%	1,405.23	6,049.23
12/1/2039	4,668	2.000%	1,382.01	6,050.01
3/1/2040	4,691	2.000%	1,358.67	6,049.67
6/1/2040	4,714	2.000%	1,335.22	6,049.22
9/1/2040	4,738	2.000%	1,311.65	6,049.65
12/1/2040	4,762	2.000%	1,287.96	6,049.96
3/1/2041	4,785	2.000%	1,264.15	6,049.15
6/1/2041	4,809	2.000%	1,240.22	6,049.22
9/1/2041	4,833	2.000%	1,216.18	6,049.18
12/1/2041	4,858	2.000%	1,192.01	6,050.01
3/1/2042	4,882	2.000%	1,167.72	6,049.72
6/1/2042	4,906	2.000%	1,143.31	6,049.31
9/1/2042	4,931	2.000%	1,118.78	6,049.78
12/1/2042	4,955	2.000%	1,094.13	6,049.13
3/1/2043	4,980	2.000%	1,069.35	6,049.35
6/1/2043	5,005	2.000%	1,044.45	6,049.45
9/1/2043	5,030	2.000%	1,019.43	6,049.43
12/1/2043	5,055	2.000%	994.28	6,049.28
3/1/2044	5,081	2.000%	969.00	6,050.00
6/1/2044	5,106	2.000%	943.60	6,049.60
9/1/2044	5,131	2.000%	918.07	6,049.07
12/1/2044	5,157	2.000%	892.41	6,049.41
3/1/2045	5,183	2.000%	866.63	6,049.63

SPECIMEN

Bond Debt Service
Walton PSD
IJDC Loan
$544,900
2% Interest Rate
30 Years

Period Ending	Principal	Coupon	Interest	Debt Service
6/1/2045	5,209	2.000%	840.71	6,049.71
9/1/2045	5,235	2.000%	814.67	6,049.67
12/1/2045	5,261	2.000%	788.49	6,049.49
3/1/2046	5,287	2.000%	762.19	6,049.19
6/1/2046	5,314	2.000%	735.75	6,049.75
9/1/2046	5,340	2.000%	709.18	6,049.18
12/1/2046	5,367	2.000%	682.48	6,049.48
3/1/2047	5,394	2.000%	655.65	6,049.65
6/1/2047	5,421	2.000%	628.68	6,049.68
9/1/2047	5,448	2.000%	601.57	6,049.57
12/1/2047	5,475	2.000%	574.33	6,049.33
3/1/2048	5,503	2.000%	546.96	6,049.96
6/1/2048	5,530	2.000%	519.44	6,049.44
9/1/2048	5,558	2.000%	491.79	6,049.79
12/1/2048	5,586	2.000%	464.00	6,050.00
3/1/2049	5,613	2.000%	436.07	6,049.07
6/1/2049	5,642	2.000%	408.01	6,050.01
9/1/2049	5,670	2.000%	379.80	6,049.80
12/1/2049	5,698	2.000%	351.45	6,049.45
3/1/2050	5,727	2.000%	322.96	6,049.96
6/1/2050	5,755	2.000%	294.32	6,049.32
9/1/2050	5,784	2.000%	265.55	6,049.55
12/1/2050	5,813	2.000%	236.63	6,049.63
3/1/2051	5,842	2.000%	207.56	6,049.56
6/1/2051	5,871	2.000%	178.35	6,049.35
9/1/2051	5,901	2.000%	149.00	6,050.00
12/1/2051	5,930	2.000%	119.49	6,049.49
3/1/2052	5,960	2.000%	89.84	6,049.84
6/1/2052	5,989	2.000%	60.04	6,049.04
9/1/2052	6,019	2.000%	30.10	6,049.10
	544,900		181,041.39	725,941.39

SPECIMEN

BOND REGISTER

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
WALTON PUBLIC SERVICE DISTRICT
WATER REVENUE BOND (WEST VIRGINIA IJDC PROGRAM)
SERIES 2021

Bond Number	Principal Amount	Date of Bond
No. R-1	$544,900	September 8, 2021

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

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

Signature of Registrar:

United Bank

By: Thomas Powers

Its: VP

Grover F. Hedges (1885-1955)
G.F. Hedges, Jr. (1914-1986)

Orton A. Jones
Christine M. Hedges

Thomas N. Whittier, *Of Counsel*

Hedges Jones Whittier & Hedges

Attorneys at Law

216 Market Street, Suite 201
First Neighborhood Bank Building
Post Office Box 7
Spencer, West Virginia 25276

Telephone (304) 927-3790
Facsimile (304) 927-1500

September 8, 2021

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

Walton Public Service District
P.O. Box 118
Walton, WV 25286-0118

Re: $544,900 Walton Public Service District,
Water Revenue Bond (West Virginia IJDC Program), Series 2021

Gentlemen:

As attorney for the Walton Public Service District, Roane and Kanawha Counties, West Virginia (the "District"), I have examined the record of proceedings relating to the issue of the Walton Public Service District, Water Revenue Bond, Series 2021 (the "Bond") and have considered the validity of the bond issue. In this connection, I have examined and am familiar with the Constitution and statutes of the State of West Virginia, including Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia of 1931, as amended (collectively, the "Act"), the Orders of the Roane and Kanawha Counties Commission creating and expanding the District, related minutes and certified copies of the Resolution and Supplemental Resolution passed by the District (collectively, the "Resolution"), the Bond Purchase Agreement for the Bond, dated September 8, 2021, including all schedules and exhibits attached thereto (the "Agreement"), by and between the District and the West Virginia Water Development Authority (the "Authority"), and the West Virginia Infrastructure and Jobs Development Council ("IJDC"), a copy of the certificate of convenience and public necessity issued by the West Virginia Public Service Commission, the water rates necessary to pay for the Bond as described in the Resolution, copies of contracts and other documents relating to the funding and approval for the project by the District, including but not limited to the construction contract, plans and specifications, and other documents relating to the project, the commitment letter from IJDC to the District, and other documents incidental and material to the issuance by the District of the Bond. From such familiarity and examination, I am of the opinion as follows:

1. The District is a duly created and presently existing public service district of the State of West Virginia with full power and authority to construct and acquire and to operate and maintain the Water System and to issue and sell the Bond, all under the provisions of Chapter 16, Article 13A (the "Act"), of the West Virginia Code of 1931, as amended, and other applicable provisions of law.

2. The District, through its Board, has legally and effectively enacted the Resolution and has duly authorized the issuance and delivery of the Bond to the Authority, for the benefit of IJDC, and the Chairman of the Board is duly and lawfully entitled and authorized to execute the Bond. The Agreement has been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the Authority and IJDC, constitutes a valid and binding agreement of the District, enforceable in accordance with its terms.

3. The Bond constitutes a valid and legally enforceable special obligation of the District secured by and payable solely from a parity lien on and pledge of the net revenues of the System on parity with the Series 1987 Bond, the Series 1991 Bond, the Series 1994 A and B Bonds, the Series 1997 Bond, the Series 2005 Bond and the Series 2008 Bond (collectively, the "Prior Bonds"), as described in the Resolution, all in accordance with the terms of the Bond and the Resolution.

4. The District, through its Board, has legally and effectively enacted the water rates necessary to make the payments on the Bond and the Prior Bonds from the rates described in the Resolution, and it has lawfully enacted and has filed a tariff which has been approved by the West Virginia Public Service Commission for the water rates that are described in the Resolution.

5. The District has obtained from the West Virginia Public Service Commission a valid, final and non-appealable certificate of convenience and necessity under Case No. 19-1002-PWD-CN, which lawfully authorizes the District to proceed with the construction and operation of the District's Water System and approval of and issuance of the Bond.

6. The District, through its Board, has legally and effectively enacted all other resolutions, contracts and agreements that are necessary to comply with the commitment letter previously forwarded and conditions required therein, as well as complied with all necessary provisions of the Resolution necessary before the Bond may be issued and delivered, and that the Bond can in fact be lawfully issued and delivered.

7. The execution and delivery of the Bond and the adoption of the Resolution and compliance with the provisions of them will not conflict with nor constitute a breach of or default under any agreement or other instrument known to me to which the District is a party, or any court order or consent decree known to me to which the District is subject, or any law or administrative regulation to which the District is subject.

8. All authorizations, consents, approvals and reviews by governmental bodies or regulatory authorities then required for the District's adoption, execution or performance of the Bond and the

Resolution have been obtained or affected, and I have no reason to believe that the District will be unable to obtain or affect any additional such authorizations, consents or approvals that may be required in the future for performance of any of them by the District.

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

10. To my knowledge, there is no action, suit, proceeding or investigation at law or in equity by any court, public board or body, pending or threatened against or affecting the District or any member of the Board, and no facts exist relating to the composition of the Board or the exercise of their duties, wherein an unfavorable decision, ruling or finding would have a materially adverse effect upon the validity of the Bond or the Resolution.

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

Respectfully submitted,



Orton A. Jones
Attorney at Law

OAJ

GOODWIN

Goodwin & Goodwin, LLP
111 North Church Street, Suite 1
P.O. Box 349
Ripley, WV 25271-0349

T (304) 372-2651
F (304) 372-4807
www.goodwingoodwin.com

September 8, 2021

Walton Public Service District
P.O. Box 118
Walton, WV 25286-0118

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

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

Re: $544,900 Walton Public Service District
Water Revenue Bond (West Virginia IJDC Program), Series 2021

Ladies and Gentlemen:

We have served as bond counsel to Walton Public Service District (the "Issuer") in connection with the issuance of its Water Revenue Bond (West Virginia IJDC Program), Series 2021, dated the date hereof (the "Bond").

We have examined certified copies of proceedings and other papers relating to the authorization of (i) a loan agreement for the Bond, dated September 8, 2021, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), as administrator for the West Virginia Infrastructure and Jobs Development Council, and (ii) the Bond to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bond is issued in the principal amount of $544,900, in the form of one bond, registered as to the Authority, bearing interest at the rate of two percent (2%) per annum for thirty (30) years, all as set forth in Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Bond.

The Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), for the purposes of (i) financing a portion of the costs of acquiring

and constructing certain improvements and extensions to the existing public water facilities for the Issuer (the "Project"); and (ii) paying costs of issuance and related costs.

We have also examined the applicable provisions of the Act and a Bond Resolution duly adopted by the Issuer on August 24, 2021, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 24, 2021 (collectively, the "Resolution"), pursuant to and under which Act and Resolution the Bond is authorized and issued, and the Loan Agreement is entered into. The Bond is subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Resolution and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution and the Loan Agreement when used herein.

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

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

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

3. The Loan Agreement inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

4. The Issuer has legally and effectively adopted the Resolution and all other necessary resolutions in connection with the issuance and sale of the Bond. The Resolution constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms thereof and contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Bond has been duly authorized, issued, executed and delivered by the Issuer to the Authority and is a valid, legally enforceable and binding special obligation of the Issuer. There are outstanding obligations of the Issuer which will rank on

parity with the Bond as to liens, pledge and source of and security for payment, being the Water Revenue Bond, Series 1987, Water Revenue Bond, Series 1991, Water Revenue Bonds, Series 1994 A and B, Water Revenue Bond, Series 1997, Water Revenue Bond, Series 2005, and Water Revenue Bond, Series 2008 (collectively, the "Prior Bonds"). The Issuer has no other obligations outstanding that are payable from any source from which the Bond is payable.

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

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

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

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

Respectfully submitted,

Goodwin & Goodwin, LLP

GOODWIN & GOODWIN, LLP

$544,900
WALTON PUBLIC SERVICE DISTRICT
WATER REVENUE BOND (WEST VIRGINIA IJDC PROGRAM)
SERIES 2021

RECEIPT FOR BONDS AND TRANSCRIPT

The undersigned, for the West Virginia Water Development Authority, for the benefit of the West Virginia Infrastructure and Jobs Development Council (the "Purchaser"), hereby certifies as follows:

1. On the 8th day of September, 2021, at Charleston, West Virginia, the undersigned received from the Walton Public Service District (the "District"), the District's Water Revenue Bond (West Virginia IJDC Program), Series 2021 (the "Bond"), dated as of the date hereof, bearing interest at the rate of 2% per annum, payable in monthly installments as stated in the Bond. The Bond represents the entire above-captioned Bond issue.

2. At the time of such receipt, the Bond had been executed and sealed by the designated officials of the District.

3. At the time of such receipt, there was paid to the District a payment representing a portion of the principal amounts of the Bond.

4. There will be provided to the undersigned a set of Bond Transcript documents.

WITNESS my signature as of the 8th day of September, 2021.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Authorized Representative

WALTON PUBLIC SERVICE DISTRICT
WATER REVENUE BOND
(WEST VIRGINIA IJDC PROGRAM)
SERIES 2021

RECEIPT FOR BOND PROCEEDS

The undersigned Chairperson of Walton Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certifies as follows:

On this 8th day of September, 2021, the Issuer received from the West Virginia Water Development Authority (the "Authority"), as the original purchaser of the $544,900 Walton Public Service District Sewer Revenue Bond, Series 2021 (West Virginia IJDC Program), dated September 8, 2021 (the "Series 2021 Bond"), the sum of $114,678.86, being a portion of the principal amount of the Series 2021 Bond. The Issuer understands that the remaining proceeds of the Series 2021 Bonds will be advanced to the Issuer by the Authority from time to time as construction proceeds to completion.

WITNESS my signature on this 8th day of September, 2021.

WALTON PUBLIC SERVICE DISTRICT

Gary Harold

Chairperson

USDA

United States Department of Agriculture

January 9, 2020

Mr. Lloyd Naylor, Chairman
Walton Public Service District
PO Box 118
Walton, WV 25286

Re: Water System

Dear Mr. Naylor:

Thank you and the Board members for attending the meeting on January 6, 2020 at the Poca Valley Bank in Walton, WV. This letter is written to summarize our discussion on that date as well as to address matters detailed in our January 7, 2020 email (copy enclosed with attachment) and discussed on the January 8, 2020 conference call.

Please give attention to the following items:

1. Provide our office with copies of the invoices that were on hand at the January 6, 2020 meeting regarding the expenditure of reserve funds over the past few years.
2. Provide our office with a copy of the sign-in sheet from the January 6, 2020 meeting.
3. Provide our office with a copy of the Management Agreement between the Walton PSD and Hays & Company.
4. Beginning immediately, the District is required to submit quarterly reports to our agency. Form RD 442-2, "Statement of Budget, Income and Equity" is provided for use in meeting this requirement. The first report will be for the quarter that ended December 31, 2019 and is due in our office by January 31, 2020. Subsequent quarterly reports are due within 30 days after the end of the quarter. Please complete all of Schedule 1 on Form RD 442-2.
5. Establish a 2008 Depreciation Reserve Account with the WV Municipal Bond Commission and provide documentation of such. Begin immediately to deposit $41.35 per month into this account.
6. Establish a 1986 Depreciation Reserve Account and a 1991 Depreciation Reserve Account at a local financial institution and provide documentation of such. Begin funding these accounts per the respective bond resolutions.
7. Keep our office apprised of the status of the IRS lien.
8. Provide a copy of the updated Rule 42 Exhibit when it becomes available.
9. Work with our office to rectify the debt service reserve deficiencies.

Rural Development Ripley Area Office
2118 Ripley Road, Ripley, WV 25271
Voice (304) 372-6231 Ext. 4 • Fax 855-859-1828

USDA is an equal opportunity provider, employer, and lender.

If you have any questions, please contact our office at (304) 372-6231, extension 4.

Sincerely,

VIRGINIA M. McDONALD
Area Specialist

Enclosures

cc: Luke Peters, Project Coordinator
Mid-Ohio Valley Regional Council
Parkersburg, WV

Casey Huffman, Account Specialist II
Hays & Company
Spencer, WV

William K. Bragg, Esquire
Goodwin & Goodwin, LLP

Todd Dingess, CPA
Smith Cochran Hicks, PLLC
Charleston, WV

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 09/02/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Sam Sams	
Bill Bailey Insurance Agency 701 Highland Avenue P. O. Box 246 Williamstown WV 26187	PHONE (A/C, No, Ext): (304) 375-4900	FAX (A/C, No): (304) 375-5843
	E-MAIL ADDRESS: ssams@bb-ins.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : National Union Fire Ins Co	19445
INSURED Walton Public Service District P.O. Box 118 Walton WV 25286	INSURER B : BrickStreet Insurance Company	15762
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** CL219208584 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:			GPNU-PF-0023407-00/000	10/01/2020	10/01/2021	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 3,000,000
							PRODUCTS - COMP/OP AGG	$ 3,000,000
							Stopgap	$ 1,000,000
A	AUTOMOBILE LIABILITY [X] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY			GPNU-PF-0023407-00/000	10/01/2020	10/01/2021	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
							Underinsured motorist	$ 1,000,000
A	[ ] UMBRELLA LIAB [ ] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $			GPNU-PF-0023407-00/000	10/01/2020	10/01/2021	EACH OCCURRENCE	$
							AGGREGATE	$
								$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N [Y] If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WCB1025180	05/15/2021	05/15/2022	[ ] PER STATUTE [ ] OTH-ER	
							E.L. EACH ACCIDENT	$ 100,000
							E.L. DISEASE - EA EMPLOYEE	$ 100,000
							E.L. DISEASE - POLICY LIMIT	$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

WV Water Development Authority
1009 Bullit Street
Charleston WV 25301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CLOSING MEMORANDUM

To: **Brock Jarrett**
Samme Gee
Wayne Morgan

From: **Brock D. Stotts**

Date: **September 8, 2021**

Re: **Walton Public Service District**
Water Revenue Bond (West Virginia IJDC Program), Series 2021
2019W-1790

DISBURSEMENTS TO DISTRICT

1.

Payor:	West Virginia Infrastructure & Jobs Development Council
Sources:	Series 2021 Bond Proceeds
Amount:	$114,678.86
Date:	September 8, 2021
Form:	Wire Transfer
Payee:	Walton Public Service District
Bank:	Poca Valley Bank P.O. Box 56 7033 Charleston Road Walton, WV 25286 (304) 577-6611 Att'n.: Tony Spiegelberg
Routing No.:	051503145
Account No.:	124842
Account:	Walton Public Service District Emergency Water Project

2.

Payor:	West Virginia Infrastructure & Jobs Development Council
Sources:	IJDC District 2 Grant
Amount:	$500.00
Date:	September 8, 2021
Form:	Wire Transfer
Payee:	Walton Public Service District

GOODWIN

Bank:	Poca Valley Bank P.O. Box 56 7033 Charleston Road Walton, WV 25286 (304) 577-6611 Att'n.: Tony Spiegelberg
Routing No.:	051503145
Account No.:	124842
Account:	Walton Public Service District Emergency Water Project

SWEEP RESOLUTION

WHEREAS, Walton Public Service District (the "Issuer") is a governmental body and political subdivision of West Virginia;

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

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

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

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

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

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

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

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

3) This resolution shall be effective immediately upon adoption.

Adopted this 8th day of September, 2021

Larry Harpold
(Authorized Officer)

Lawrence L. Looney
(Authorized Officer)

(Authorized Officer)

WEST VIRGINIA MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302
Phone: (304) 558-3971 FAX: (304) 558-1280 **mbc.wv.gov**

NEW ISSUE REPORT FORM

Date of Report: September 8, 2021

ISSUE: Walton Public Service District Water Revenue Bond (West Virginia IJDC Program), Series 2021

ADDRESS: P.O. Box 118 5462 Charleston Road, Walton, WV 25286 COUNTY: Roane

PURPOSE OF ISSUE: X New Money
____ Refunding Refunds issue(s) dated: N/A

ISSUE DATE: September 8, 2021 RATE: 2% ADMIN FEE: N/A

ISSUE AMOUNT: $544,900

1st DEBT SERVICE DUE: December 1, 2022 1st PRINCIPAL DUE: December 1, 2022

1st DEBT SERVICE AMOUNT: $6,049.50 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Goodwin & Goodwin, LLP
Contact Name: Brock D. Stotts, Esquire
Phone: (304) 346-7000
Email: bds@goodwingoodwin.com

UNDERWRITERS COUNSEL: Jackson Kelly PLLC
Contact Name: Samme Gee, Esquire
Phone: (304) 340-1318
Email: sgee@jacksonkelly.com

CLOSING BANK: Poca Valley Bank
Contact Name: Tony Spiegelberg
Phone: (304) 577-6611
Email: tspiegelberg@pocavalleybank.com

ESCROW TRUSTEE: _____
Contact Name: _____
Phone: _____
Email: _____

KNOWLEDGEABLE ISSUER CONTACT:
Contact Name: Larry Harpold
Title: Chairman
Phone: (304) 577-9118
Email: _____

OTHER : WV IJDC
Contact Name : Wayne Morgan
Title : Executive Director
Phone: (304) 414-6500 x106
Email: wmorgan@wvwda.org

DEPOSITS TO MBC AT CLOSE: _____
By Wire _____
Check _____
In-house Transfer _____

Accrued Interest: _____
Capitalized Interest: _____
Reserve Account: _____
Other: : _____

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By Wire _____
Check _____
IGT _____

To Escrow Trustee : _____
To Issuer: _____
To Cons. Invest Fund: _____
To Other : _____

ISSUER NUMBERS:
BANK ID NUMBER: _____
ACCOUNT NUMBER: _____

CUSIP: _____
PROGRAM NUMBER: _____

NOTES: Series 2021 Bonds Reserve Account will be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: _____

Transfers Required: _____