

Office of the City Clerk

The City of Morgantown

Linda L. Tucker, CMC
389 Spruce Street, Room 10
Morgantown, West Virginia 26505
(304) 284-7439 Fax: (304) 284-7525
llittle@cityofmorgantown.org

AGENDA
MORGANTOWN CITY COUNCIL
REGULAR MEETING
January 5, 2016
7:15 p.m.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PLEDGE TO THE FLAG**
4. **APPROVAL OF MINUTES:** December 15, 2015 Regular Meeting Minutes
5. **CORRESPONDENCE:**
6. **PUBLIC HEARINGS:**
 - A. AN ORDINANCE AMENDING THE “CONCEPTUAL GROWTH FRAMEWORK MAP” AND THE “LAND MANAGEMENT MAP” OF THE 2013 COMPREHENSIVE PLAN UPDATE, ADOPTED JUNE 18, 2013, BY MODIFYING THE BOUNDARIES OF THE “ENCOURAGED GROWTH” GENERAL CONCEPT AREA ADJACENT TO THE MORGANTOWN MUNICIPAL AIRPORT AS SHOWN ON THE EXHIBITS HERETO ATTACHED AND DECLARED TO BE A PART OF THIS ORDINANCE AS IF THE SAME WAS FULLY SET FORTH HEREIN.
 - B. AN ORDINANCE TO PROVIDE THE ZONING CLASSIFICATION FOR 26.65 ACRES, MORE OR LESS, OF ADDITIONAL TERRITORY THAT WAS ANNEXED INTO THE CITY OF MORGANTOWN BY ORDINANCE 15-67 BY AMENDING ARTICLE 1331 OF THE PLANNING AND ZONING CODE OF THE CITY OF MORGANTOWN AS SHOWN ON THE EXHIBIT HERETO ATTACHED AND DECLARED TO BE A PART OF THIS ORDINANCE AS IF THE SAME WAS FULLY SET FORTH HEREIN.
 - C. AN ORDINANCE AMENDING ARTICLE 1329.02 “DEFINITIONS” OF THE PLANNING AND ZONING CODE AS IT RELATES TO SHOPPING CENTERS.

D. AN ORDINANCE AUTHORIZING THE SALE OF REAL ESTATE AT STAR CITY TAX MAP 1, PARCEL 12.1.

7. UNFINISHED BUSINESS:

A. Consideration of APPROVAL of (SECOND READING) and (ADOPTION) of AN ORDINANCE AMENDING THE “CONCEPTUAL GROWTH FRAMEWORK MAP” AND THE “LAND MANAGEMENT MAP” OF THE 2013 COMPREHENSIVE PLAN UPDATE, ADOPTED JUNE 18, 2013, BY MODIFYING THE BOUNDARIES OF THE “ENCOURAGED GROWTH” GENERAL CONCEPT AREA ADJACENT TO THE MORGANTOWN MUNICIPAL AIRPORT AS SHOWN ON THE EXHIBITS HERETO ATTACHED AND DECLARED TO BE A PART OF THIS ORDINANCE AS IF THE SAME WAS FULLY SET FORTH HEREIN. (The first reading December 1, 2015)

B. Consideration of APPROVAL of (SECOND READING) and (ADOPTION) AN ORDINANCE TO PROVIDE THE ZONING CLASSIFICATION FOR 26.65 ACRES, MORE OR LESS, OF ADDITIONAL TERRITORY THAT WAS ANNEXED INTO THE CITY OF MORGANTOWN BY ORDINANCE 15-67 BY AMENDING ARTICLE 1331 OF THE PLANNING AND ZONING CODE OF THE CITY OF MORGANTOWN AS SHOWN ON THE EXHIBIT HERETO ATTACHED AND DECLARED TO BE A PART OF THIS ORDINANCE AS IF THE SAME WAS FULLY SET FORTH HEREIN. (The first reading December 1, 2015)

C. Consideration of APPROVAL of (SECOND READING) and (ADOPTION) of AN ORDINANCE AMENDING ARTICLE 1329.02 “DEFINITIONS” OF THE PLANNING AND ZONING CODE AS IT RELATES TO SHOPPING CENTERS. (The first reading December 1, 2015)

D. Consideration of APPROVAL of (SECOND READING) and (ADOPTION) of AN ORDINANCE AUTHORIZING THE SALE OF REAL ESTATE AT STAR CITY TAX MAP 1, PARCEL 12.1. (The first reading December 15, 2015)

E. BOARDS AND COMMISSIONS

8. PUBLIC PORTION WHICH SHALL BE SUBJECT TO RULES ESTABLISHED BY COUNCIL AND ADOPTED BY RESOLUTION

9. **SPECIAL COMMITTEE REPORTS:**

10. **NEW BUSINESS:**

A. Consideration of **APPROVAL** of **(FIRST READING)** of **AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SANITARY SEWER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$100,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A (TAX EXEMPT); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.**

B. Consideration of **APPROVAL** of **(FIRST READING)** of **AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SANITARY SEWER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$30,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B (TAX EXEMPT-EXTRAORDINARY OPTIONAL CALL); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.**

C. Consideration of **APPROVAL** of **(FIRST READING)** of **AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SANITARY SEWER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST, NOT**

OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$10,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 C (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

D. Consideration of **APPROVAL** of (FIRST READING) of **AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE POTABLE WATER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$40,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 D (TAX EXEMPT); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.**

11. **CITY MANAGER'S REPORT:**

New Business:

1. **City Police and University Police Cooperation and Assistance Agreement**
2. **Request for "Year of" recognition by the City Council**

12. **REPORT FROM CITY CLERK:**

13. **REPORT FROM CITY ATTORNEY:**

14. **REPORT FROM COUNCIL MEMBERS:**

15. **ADJOURNMENT:**

If you need an accommodation contact us at (304) 284-7439



Office of the City Manager

The City of Morgantown

City Manager

Jeff Mikorski, ICMA-CM

389 SPRUCE STREET

MORGANTOWN, WEST VIRGINIA 26505

(304) 284-7405 FAX: (304) 284-7430

www.morgantownwv.gov

City Manager's Report for City Council Meeting on January 5, 2015

New Business

1. **City Police and University Police Cooperation and Assistance Agreement**

The attached agreement proposes to help the Morgantown Police Department provide additional law enforcement manpower and supervision in the area around the University Greek Houses by allowing the University Police Department concurrent jurisdiction in the identified "Cooperation Zone". Morgantown Police Chief Preston and University Police Chief Roberts are both in agreement that this agreement will improve the response and supervision of law enforcement officers in the "Cooperation Zone". I agree with the Police Chiefs and recommend that Council support the agreement.

2. **Request for "Year of" recognition by the City Council**

The Friends of Deckers Creek and the Morgantown Green Team request consideration for 2016 to be declared as "Year To Go Green: A Path to a Cleaner Morgantown" or other similar title. Attached is their letter of request and a draft agenda for the year 2016.

Jeff Mikorski ICMA-CM,
Morgantown City Manager

POLICE COOPERATION AND ASSISTANCE AGREEMENT
BETWEEN WEST VIRGINIA UNIVERSITY AND THE CITY OF MORGANTOWN

THIS POLICE COOPERATION AND ASSISTANCE AGREEMENT (“Agreement”) is made this January _____, 2016, by and between the West Virginia University Board of Governors on behalf of West Virginia University (“WVU”) and its University Police Department (“UPD”), and the City of Morgantown on behalf of the Morgantown Police Department (“MPD”).

WHEREAS, pursuant to W. Va. Code § 18B-4-5, WVU has established UPD as its law enforcement agency having an operational jurisdiction on premises under the jurisdiction of the WVU Board of Governors, including any street, road or thoroughfare, except controlled access and open country highways, immediately adjacent to or passing through WVU premises, and may assist a local law-enforcement agency in any location under the agency’s jurisdiction at the request of the agency;

WHEREAS, the City of Morgantown has established MPD as its law enforcement agency with jurisdiction over criminal matters within the territorial limits of the City;

WHEREAS, MPD and UPD are both West Virginia law-enforcement agencies pursuant to W. Va. Code § 30-29-1 *et seq.* and the officers of MPD and UPD are trained and certified as duly authorized law enforcement officers pursuant to West Virginia law;

WHEREAS, a high concentration of WVU students live and socialize in Greek fraternities and sororities (collectively “Greek Houses”) and the surrounding neighborhood that is located within the corporate limits of the City of Morgantown and under the jurisdiction of MPD;

WHEREAS, for purposes of this Agreement, the term “Greek Houses” shall include the facilities located at the addresses identified on Appendix A.

WHEREAS, in recognition of this particular concentration of WVU students, UPD and MPD enter into this Agreement to establish and formalize a framework through which UPD will assist MPD with preserving law and order within the area specifically defined in Appendix B (“Cooperative Zone”);

WHEREAS, this Agreement shall be reviewed on a quarterly basis to evaluate the continued benefit of the Agreement; and

THEREFORE, in furtherance of the above-referenced goals and objectives, UPD and the City agree to the following:

I. Purpose

The purpose of this Agreement is to provide for the rendering of assistance between UPD and MPD pursuant to W. Va. Code § 15-10-4(a) and W. Va. Code § 18B-4-5(c)(2)(F).

II. Scope of Assistance

UPD shall assist MPD by having the primary responsibility for providing routine patrols of the Cooperative Zone, and responding to calls and complaints of civil or criminal disturbances occurring within the Cooperative Zone.

III. Authority of Personnel Rendering Aid

Subject only to Section VI, below, whenever UPD officers are rendering assistance pursuant to this Agreement, such officers shall have the same powers, duties, rights, privileges, and immunities as if they were performing their duties on University premises under the jurisdiction of the WVU Board of Governors.

IV. Responsibility for Expenses and Compensation of Employees

UPD will bear the cost of all expenses it incurs while providing the assistance contemplated by this Agreement. Further, UPD will compensate its employees during the time they are rendering such assistance. Such compensation shall include any amounts paid or due for compensation due to personal injury or death while such employees are engaged in rendering such assistance. Notwithstanding this or any other provision of the Agreement, all services contemplated by this Agreement that are to be performed by UPD are contingent upon funds being appropriated or otherwise being available for the services.

V. Applicability of Privileges, Immunities, Exemptions and Benefits

All of the privileges and immunities from liability; exemption from laws, ordinances, and rules; and all insurance, relief, disability, workers' compensation, salary, death, and other benefits which apply to the activity of UPD officers or employees when performing their respective functions within the jurisdiction of the WVU Board of Governors shall apply to UPD officers or employees to the same degree, manner and extent while providing the assistance contemplated by this Agreement.

VI. Command Structure

When assistance is rendered by UPD under the terms of this Agreement, all personnel will be under the command of the Chief of UPD, or his designee. MPD, however, will retain concurrent jurisdiction over the Cooperative Zone and, to the extent that it may become necessary, UPD will defer to MPD personnel exercising its jurisdiction with respect to all or some of the Cooperative Zone.

VII. Implementation

UPD and MPD mutually agree and acknowledge that the implementation of this Agreement will likely impact other agencies or authorities within Monongalia County. Accordingly, this Agreement will be implemented as a pilot program during which time representatives of WVU, UPD, the City of Morgantown, and MPD shall meet and confer at least quarterly to evaluate the continued benefit of the Agreement and determine whether any modifications should be considered.

Upon the execution of this Agreement, representatives of UPD and MPD will promptly establish protocols for, among other things, effective investigation of criminal activity and communication plans that may be relied upon by the parties under all likely circumstances. The effectiveness of the established protocols for communication will be reviewed periodically by representatives of UPD and MPD.

VII. Information Sharing

For the purpose of enhancing interagency coordination, intelligence gathering, facilitating multijurisdictional investigations, and the like, UPD and MPD will share with the other department all relevant law enforcement records related to the Cooperative Zone that result from or are related to law enforcement within or immediately adjacent to the Cooperative Zone.

Nothing in this Agreement shall relieve UPD of (i) any responsibility or obligation imposed upon it by the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics (codified as 10 U.S.C. § 1092(f)), or (ii) the requirements relating to crimes on campus as articulated in W. Va. Code § 18B-4-5a.

VIII. Miscellaneous

- A. The initial term of this agreement shall be twelve (12) months; provided that by mutual agreement of the parties the term may be extended from time to time. Either party may initiate the termination of this Agreement upon thirty (30) days written notice to the other party. Following the delivery of such notice, UPD and MPD will meet and confer to determine whether open cases will remain with UPD until resolved, or will be transferred to MPD for resolution.
- B. For the avoidance of doubt, the parties do not intend for this Agreement supersede any other agreements that they may have agreed to previously; rather, this Agreement shall serve to supplement those existing agreements, if any.
- C. For the avoidance of doubt, each department shall be solely responsible for any and all claims and liability for loss, damage or injury or death of third parties caused by or attributable to its own officer engaged in activities in support of this Agreement.
- D. Pursuant to W. Va. Code § 15-10-4(d), a copy of this Agreement shall be filed in the Office of the Clerk of the Circuit Court of Monongalia County, West Virginia.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties have caused this document to be executed as of the date of the signatures of their duly authorized representatives.

**West Virginia University Board of
Governors, on behalf of West
Virginia University and its
University Police Department**

**City of Morgantown, on behalf of
the Morgantown Police Department**

By _____
Its: Chief of Police

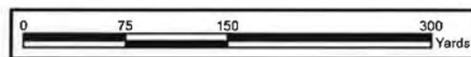
By _____
Its: Chief of Police

Date

Date

Appendix A

	Street Address for Greek Houses
Fraternity Houses	201 Belmar Avenue
	225 Belmar Avenue
	709 North High Street
	670 North High Street
	200 Belmar Avenue
	216 Belmar Avenue
	780 Spruce Street
	672 North High Street
	117 Belmar Avenue
	650 North Spruce Street
	700 North High Street
	692 North High Street
	112 Waverly Street
	Sorority Houses
261 Willey Street	
618 Spruce Street	
506 North High Street	
652 Price Street	
265 Prospect Street	
1493 University Avenue	
552 Spruce Street	





Friends of Deckers Creek



12/29/2015

Jeff Mikorski, City Manager
City of Morgantown
389 Spruce Street,
Morgantown, WV 26505

RE: City Council Declaration for 2016 to Call for an Increase in Sustainability Efforts in Morgantown

Dear Jeff:

We are writing on behalf of Friends of Deckers Creek and the Morgantown Green Team to encourage your consideration of approaching the City Council to declare 2016 the “Year to Go Green: A Path to a Cleaner Morgantown” or another similar title.

This year, Downstream Strategies and the city of Morgantown are wrapping up the third stage of the Sustainable Morgantown Initiative. In order to celebrate this and to continue the work to promote sustainability across the city, Friends of Deckers Creek and the Morgantown Green Team hope to engage the Morgantown community. We aim to do so through community outreach forums, educational workshops, and the creation of a Green Business Coalition, which will gather data from businesses to lay the groundwork to establish a Green Business Certification Program in the city.

Here are some of the goals of this declaration:

- Provide framework for range of existing and new sustainability efforts in Morgantown in 2016 and thereby raise awareness of how all are contributing to the one goal
- Expand “culture of sustainability” in Morgantown among wider range of stakeholders, including businesses and other community institutions
- Start building follow-up for Sustainable Morgantown Initiative whose Phase III ends spring 2016
- Encourage cooperation, coordination, and dialogue among city, businesses, nonprofit groups, and private citizens on sustainability with a focus on next steps and action
- Link existing and new efforts toward sustainability among environmental groups in Morgantown
- Continue to work toward environmental goals of city’s comprehensive plan, especially toward clean air, clean water, and clean energy

I've attached a tentative agenda of events that we anticipate taking place over the next year to celebrate the "Year to Go Green." We also aim to collaborate with and expand partnerships with other area green organizations to unify our message and broaden our impact.

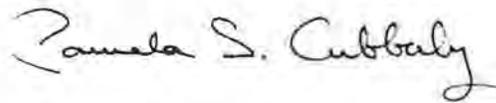
Please consider adding this letter to your City Manager's report for the City Council meeting next week on Tuesday, January 5th.

Sincerely,
Holly Purpura

Pamela Cubberly



Executive Director
Friends of Deckers Creek



Secretary
Morgantown Green Team

Brainstorm of Tentative Events

(Note: this calendar of events is not comprehensive, as we plan to approach other Green Organizations as well)

- **January:** Declaration by City Council of 2016 Year of [title to be decided]
- **Late January/Early February:** Celebration/Launch of “Year of” activities
 - **Formal Launch of “Year of...”:** Media event with mayor, city council members, and other officials marking launch of 2016 “Year of...”
 - **Celebration of Recent Successes:** Morgantown Solar Co-op, Multi-resident Housing Energy Reduction by Landlords; Recent City Efforts to Reduce Energy Use; and ?
 - **Outreach/Expansion of Energy Use Reduction with information tables/workshops:** Possible Second Solar Coop? Recruit Citizens in Energy Audits (LTI); Green Business Council and ultimately Green Certifications; Other ideas?

Event could take place on a late Saturday afternoon/early evening as an open house with info for citizens and businesses, possibly workshops on solar coops, energy audits, multi-residence energy saving devices, and business certification

Possible title: “Sustainability Saturday: Going Green, Saving Green”?

- **February:**
 - Launch of **Winter Series of Public Forums on Key Environmental/Sustainability Topics**, with **Winter Series Forum 1**, as discussed by Holly at our last meeting.
 - Number and timing of meetings to be based on interest of other groups to participate and organize as well as Holly and Green Team’s time.
- **March:**
 - **Winter Series Forum 2**
 - **FODC Rain Barrel Workshop 1**
- **April:**
 - **Green Team Third Annual Green Households Fair** or some other version of this appropriate to the 2016 “Year” ...possibly time with Earth Day?
 - **FODC Spring Meltdown** on Earth Day (Friday, April 22)
- **May:**
 - **Spring Series Forum 1**
 - **FODC Rain Barrel Workshop 2**
- **June:**
 - **Spring Series Forum 2**
 - **Summer Youth Program with Boys and Girls Club;**
 - **YAB-led Activities;**
 - **FODC Rain Barrel Workshop 3**

[Summer Hiatus or ?]

- **September:**
 - **Fall Series Forum 1**
 - **Shop at Green Businesses Day for members of the Green Business Coalition**
- **October:**
 - **Fall Series Forum 2**
 - **and ?**
- **November:**
 - **Fall Series Forum 3**
 - **and ?**
- **December Closure Activities for Year**

REGULAR MEETING December 15, 2015: The regular meeting of the Common Council of the City of Morgantown was held in the Council Chambers of City Hall on Tuesday, December 15, 2015 at 7:24 p.m.

PRESENT: City Manager Jeff Mikorski, City Clerk Linda Tucker, Mayor Marti Shamberger, City Attorney Ryan Simonton, Assistant City Manager Glen Kelly and Council Members: Rone Bane, Deputy Mayor Bill Kawecki, Wes Nugent, Jenny Selin, Jay Redmond, and Nancy Ganz.

The meeting was called to order by Mayor Shamberger.

APPROVAL OF MINUTES: Minutes from the December 1, 2015 were approved by acclamation.

CORRESPONDENCE: Mayor Shamberger read a thank you to the City of Morgantown from Richard Cuning WWII survivor. Council then read letters to Santa from Eastwood Elementary Students.

PUBLIC HEARING:

AN AMENDED ORDINANCE ESTABLISHING THE RATES OF COMPENSATION FOR THE CITY OF MORGANTOWN EMPLOYEES FOR THE FISCAL YEAR 2015-2016.

Mayor Shamberger declared this Public Hearing open.

James Giuliani, 256 Prarie Avenue, asked for explanation of the rates of compensation for FY 2015-2016. Mayor Shamberger asked to suspend the rules, approved by acclamation for the City Manager to explain.

There being no other appearances, Mayor Shamberger declared the Public Hearing closed.

AN ORDINANCE AMENDING THE FY 2015-2016 ANNUAL BUDGET OF THE CITY OF MORGANTOWN AS SHOWN IN THE REVISED BUDGET ATTACHED HERETO AND MADE A PART OF THIS ORDINANCE AS THE SAME APPLIES TO THE GENERAL FUND.

Mayor Shamberger declared this Public Hearing open.

There being no appearances, Mayor Shamberger declared the Public Hearing closed.

UNFINISHED BUSINESS:

AN AMENDED ORDINANCE ESTABLISHING THE RATES OF COMPENSATION FOR THE CITY OF MORGANTOWN EMPLOYEES FOR THE FISCAL YEAR 2015-2016: The below entitled Ordinance was presented for second reading.

AN AMENDED ORDINANCE ESTABLISHING THE RATES OF COMPENSATION FOR THE CITY OF MORGANTOWN EMPLOYEES FOR THE FISCAL YEAR 2015-2016.

City Manager explained, motion by Kawecki, second by Ganz, to adopt the above entitled Ordinance. Motion carried 7-0.

AN ORDINANCE AMENDING THE FY 2015-2016 ANNUAL BUDGET OF THE CITY OF MORGANTOWN AS SHOWN IN THE REVISED BUDGET ATTACHED HERETO AND MADE A PART OF THIS ORDINANCE AS THE SAME APPLIES TO THE GENERAL FUND:

The below entitled Resolution was presented for first reading.

AN ORDINANCE AMENDING THE FY 2015-2016 ANNUAL BUDGET OF THE CITY OF MORGANTOWN AS SHOWN IN THE REVISED BUDGET ATTACHED HERETO AND MADE A PART OF THIS ORDINANCE AS THE SAME APPLIES TO THE GENERAL FUND.

Motion by Ganz, second by Selin, to adopt the above entitled Ordinance. Motion carried 7-0.

BOARDS AND COMMISSIONS: City Clerk, Linda Tucker, updated Council on the Sister Cities Commission New Member Katherine Wilson needs Council approval to serve on commission. Council approved appointment by acclamation. Councilor Selin mentioned an administrator appointment for the Green Team.

PUBLIC PORTION:

Mayor Shamberger declared the Public Portion open.

Coach Steve Blinco, Morgantown High School Track, 215 Canfield Street, spoke in reference to the new track facility at Mylan and the economic impact that it would make for the area.

Michael Ryan, 266 Richland Avenue, noted that he is working with Coach Blinco on the track subcommittee and we are hoping that the community will have the opportunity to host Championships at Mylan Park.

Dave Biafora, 266 Mid-Atlantic Drive, he wished everyone a Merry Christmas and a Happy New Year, and also commented that the City Planner is not following City Code; City is turning their heads to the problems in the City and not holding anybody up to the charter. He noted that the City has been inconsistent in following their codes and that is why they are having the problems they are today.

Ching Wahyip, 1389 University Avenue, stated the City is placing a financial hardship and safety by closing two streets and having only one entrance to my property.

Vic Solomon, 75 Wall Street, also opposes the landlord building in the University Avenue area.

James Giuliani, 256 Prarie Avenue, said to Council that it is not easy to speak here in front of Council. He then stated that the City forces a resident to sell their property. He then quoted WV State Code 6-6-7 and thanked Council for allowing him to speak.

There being no other appearances, Mayor Shamberger declared the Public Portion closed.

SPECIAL COMMITTEE REPORTS: Deputy Mayor Kaweck reported Arts Collaboration will have a Workshop the first week of January with the WV Division of Cultural and History for a Grant Writing Shop. He also reported that the Chamber of Commerce along with the Arts Mon and Arts Collaborative there will be a study on the economic impact on arts in the community. Councilor Ganz reported that the Sister Cities group will have a group come in January. Councilor Selin attended a meeting about the track at Mylan Park. Mayor Shamberger noted a teleconference call about Safe Communities of America.

NEW BUSINESS:

AN AMENDED ORDINANCE ESTABLISHING THE RATES OF COMPENSATION FOR THE CITY OF MORGANTOWN EMPLOYEES FOR THE FISCAL YEAR 2015-2016: The above entitled Ordinance was presented for first reading.

AN AMENDED ORDINANCE ESTABLISHING THE RATES OF COMPENSATION FOR THE CITY OF MORGANTOWN EMPLOYEES FOR THE FISCAL YEAR 2015-2016.

City Manager explained, motion by Selin, second by Kawecki, to approve the above entitled Ordinance to second reading. Motion carried 5-2.

A RESOLUTION AUTHORIZING AN AGREEMENT WITH WEST VIRGINIA UNIVERSITY PROVIDING EDUCATIONAL ROTATION EXPERIENCES FOR SCHOOL OF PUBLIC HEALTH STUDENTS: The above-entitled Resolution was presented for first reading.

A RESOLUTION AUTHORIZING AN AGREEMENT WITH WEST VIRGINIA UNIVERSITY PROVIDING EDUCATIONAL ROTATION EXPERIENCES FOR SCHOOL OF PUBLIC HEALTH STUDENTS:

City Manager summarized, motion by Selin, second by Kawecki, to pass the above entitled Resolution. Motion carried 7-0.

A RESOLUTION AUTHORIZING THE FOLLOWING AGENTS, JEFF MIKORSKI CITY MANAGER, JAMES GOFF FINANCE DIRECTOR, LORI LIVENGOOD BUDGET AND ACCOUNTING MANAGER, AND KAREN EVERLY TREASURY MANAGER, OF THE CITY OF MORGANTOWN FOR THE TRANSACTING OF FUNDS: The below entitled Resolution was presented for first reading.

A RESOLUTION AUTHORIZING THE FOLLOWING AGENTS, JEFF MIKORSKI CITY MANAGER, JAMES GOFF FINANCE DIRECTOR, LORI LIVENGOOD BUDGET AND ACCOUNTING MANAGER, AND KAREN EVERLY TREASURY MANAGER, OF THE CITY OF MORGANTOWN FOR THE TRANSACTING OF FUNDS.

City Manager explained, motion by Redmond, second by Selin, to pass the above entitled Ordinance to second reading. Motion carried 7-0.

CITY MANAGERS REPORT:

Information:

1. Art installation on the Riverfront through Morgantown River Towns

Morgantown River Towns Art Committee has received grant funds to promote art along the riverfront. The Art Committee invited artists to submit art work that would be on display at four locations. On December 2, 2015 they presented the proposed locations to the Urban Landscapes Commission. The Urban Landscape Commission approved the proposed the general locations for the art to be placed, as seen in the attached map. River Towns is requesting that City help with placing two cement slabs for the installation of the art work, additional grants may allow for reimbursement of the slab installation. The artwork will be installed by the artists.

2. Sabraton Decorations

I have been working with Sarah Robinson and a group of interested businesses and property owners to establish a plan for decorations to be placed along Route 7 through the Sabraton Business Corridor starting in 2016. The committee proposed three banner designs and a holiday light design for the area. The committee has requested that City present the three designs in a survey for interested residents, business owners, and property owners to vote for their favorite. The survey should be online after December 16, 2015. With funds already budgeted in the 2015-2016 approved budget, the City can match funds that are raised for the project. This will be a great way to promote and support the Sabraton Business Corridor.

New Business:

1. Capital Escrow Fund Modifications

The introduction of the Safe Streets and Safe Community Service Fee, will provide funds collected for the resurfacing and improvements of City Streets to be transferred from the General Fund to the Capital Escrow Fund (FY 2016 General Fund Amendment #2). I recommend the \$514,800 allocated to the Capital Escrow Fund to be budgeted for Street Improvements.

I also would like to reallocate funds within the approved Capital Escrow Fund to reflect funds leftover from projects for completing other projects or adding new projects as listed:

	Approved Budget	Remaining Funds as of 12/1/2015	Modification 12/15/2015	Revised Budget
PROJECT	FY 2015/2016			FY 2015/2016
CITY CAPITAL PROJECTS				
Fire Equipment	66,381	53890.14	150,000.00	203,8901.14
Police Equip. (Personal Protection)	25,000	14,995.00	-14,995.00	0.00
Public Works Vehicles	146,187	24,827.74	-24,827.74	0.00
Fire Department Vehicles	650,000	465,000.00	79,428.02	544,428.02
Salt Building	85,370	84,971.00	-84,971.00	0.00
Police Cruisers	208,133	42,049.00	-42,049.00	0.00
Public Works Capital Outlay	210,000	184.06	-184.06	0.00
Public Works Cleanup	22,396	22,396.00	2,159.00	
Fire Station Repairs	109,348	64,026.00		
Administrative Vehicle	19,000	1,171.50	1,171.50	0.00
Public Safety Building Plaza	49,803	10,027.22		10,027.22
Paving 2014	72,530	65,881.00	-65,881.00	0.00
Paving 2015	625,000	97,507.72	-97507.72	0.00
Paving 2016	400,000.00	400,00.00	-400,000.00	0.00

Airport Access Road	0	0	500,000.00	500,000.00
MSF – Street Improvements			514,800	514,800

A total of \$731,578.02 will be reallocated to Fire Department projects, and complete the costs of the Airport Access Road. Police vehicles/equipment and Public Works vehicles/equipment will be purchased from the capital outlay line of the general fund with revenue from the Safe Streets and Safe Community Fee.

City Manager explained the Capital Escrow Fund Modifications, motion by Ganz, second by Kawecki. Motion carried 7-0.

2. 2016 Health Plan Renewal Rates

This is the time of year that we renew the City’s Health Plan rates. I am happy to report that there is no increase in premium rates for employees for the coming year. As seen in the attached summary of rates, our employee health plan is a great benefit with rates from \$7.22 to \$32.79 per pay period, depending on the coverage and family status. I recommend City Council approve the 2016 City Health Plan rates for employees and retirees.

City Manager explained the Health Plan Renewal Rates, motion by Ganz, second by Kawecki. Motion carried 7-0.

REPORT FROM CITY CLERK: City Clerk, Linda Tucker wished everyone a Merry Christmas.

REPORT FROM CITY ATTORNEY: No Report

REPORT FROM COUNCIL MEMBERS:

Councilor Bane:

Councilor Bane thanked family and friends for their support on a health issue that he has had all is well. Councilor Bane stated that in reference to issues in the City we need to start standing up for American values. He noted his concerns on the annulment on University Avenue that it was pulled from the COW. Council needs clarification to make decisions and there are too many inconsistencies.

Deputy Mayor Kawecki:

Deputy Mayor Kawecki stated that he is upset that people prefer litigation as to cooperation we need to move the City in a more positive matter. He noted that the Traffic Commission Volunteers were berated and I am dismayed that these type of actions are occurring.

Councilor Nugent:

Councilor Nugent questioned fire access on 1389 University Avenue. He reported Wiles Hill Highland Neighborhood

Association Meeting on December 16th, 2015; Morgantown Museum Vintage Holiday from December 19th to the second week of January. He stated that yes he did sign the petition, for he needs clarity and direction from the court so that our Community can move forward.

Councilor Selin:

Councilor Selin gave an update on the Don Knotts statue. She then asked the City Manager for the status of the Zacquill Morgan statue at the Public Safety Building. Councilor Selin commented that we have a professional City Government and just because we do not agree does not merit a lawsuit.

Councilor Redmond:

Councilor Redmond stated that by nature we like to make people happy, but in our positions we can make people satisfied and I think we have all failed the past few months. The Traffic and Planning Commission Meetings hostile environment were due to mismanagement in the Engineering and Planning Departments, so therefore our volunteers are taking the heat from administration not doing their jobs. Councilor Redmond stated that the codes need to be followed and enforced. We cannot act above the law, and need to restore confidence so people can trust us again. Councilor Redmond also stated that an outside investigation for the truth is warranted.

Councilor Ganz:

Councilor Ganz commented, "hard act to follow" following Councilor Redmond's comments, considering you signed the petition against me to be in office. Councilor Ganz noted many good things have happened during the past several months. Such as: Cultural changes, recreation, airport, and many other things. She noted that she stands for American values even though she has been berated. She then reported that the Suncrest Neighborhood Association is concerned about the work that will be done on Van Voorhis and we implore the MPO to have public comments and

hearings and that the MPO Council Member needs to learn about the National Environmental Protection Agency and make sure that our neighborhood is not tore up again. Councilor Ganz suggested that in the New Year combining volunteer groups, neighborhood associations, PPOSHOP etc. to instore healing to our community. She noted that the black cloud over the City comes from the litigation that is occurring. She then suggested that the neighborhood association should have activities for the community like the pot luck event at the Wiles Hill Community Center to help instore positive healing in the community. She then wished everyone a safe and happy holiday.

Mayor Shamberger:

Mayor Shamberger reported attending a skype workshop at the old Woodburn School with Bill Withers. She also attended South Hills Neighborhood Holiday potluck. She then noted that she was contacted by a member of Rosie the Riveter for the City of Morgantown to become a "Rosie City". She then thanked the City employees and volunteers for their service to the City. She then stated that the Civil Suit Hearing at 9am on December 18th, 2015 has thrown us off of our feet and we must move forward in a positive matter. She then wished everyone a Merry Christmas and a Happy New Year and looks forward to 2016. She then made these Community announcements; Old Stone House 10% off December 21st – 30th donations go to Touch & Concern; December 19th, Christmas Bird Count; December 17th – 20th Ebenezer; December 21st Blood Drive and January 18th, 2016 Martin Luther King Day Celebration.

ADJOURNMENT: There being no further items of business or discussion, motion by, second by to adjourn. Motion carried by unanimous consent at 9:20 pm.

City Clerk

Mayor

***A FULL TRANSCRIPT OF ALL COUNCIL MEETINGS ARE AVAILABLE ON DVD AT THE MORGANTOWN CITY LIBRARY.**

Boards & Commissions Available Positions

<u>Board/Commission</u>	<u>Vacancy(s)</u>	<u>Name of Applicants</u>	<u>Res./Non Res.</u>	<u>Ward</u>	<u>Code Sec.</u>	<u>Other</u>
Morgantown Housing	1		Res/Real Estate		160.03	Advertise
Sister Cities	1		Resident		172.02	Advertise
Code Sec. Attached						
Transit Board City Appt Expires 12/31/15. Advertising for Candidates. See attached e-mail as backup.						
Urban Landscape will be updated 1st of the year, per Marchetta Maupin. (Code Sec.163)						

****Council decided on 3-21-06 by unanimous consent that if there is only one candidate for Boards & Commissions, that they will not interview; the City Clerk will check with Council before scheduling a Special Meeting.***

****BZA and Planning Commission term expirations are advertised in October and interviews must be completed by December per State Law.***

12/18/2015

Minutes Basics

An Introduction to Recording the Minutes of your Meeting:

Minutes are a record of what occurs, not what is said. Minutes should be written in the past tense, as it reflects what happened in the previous meeting. The record should reflect the order of the agenda, and discussion and action cannot deviate from the set agenda, in accordance with Governmental Open Meetings Act standards.

Notes taken at time of meeting carefully record all action taken. This can be done by the secretary of the group, or in their absence a designee of the group. Every action taken by the group is to be recorded including motions, discussions, and reports given.

Minutes are not intended to be a verbatim transcription of the meeting. Your group may use an audio recorder if you wish to accomplish this. Minutes should be written in 3rd person past tense, and should reflect neutral language at all times.

General Order for Meetings and Minutes:

- *Agenda Item (What you would state in the minutes for this portion of the meeting)*
- **Call to Order** (listing date, location of meeting and denoting start time)
- **Attendance** (listing members who are present or absent and noting visitors or special guests)
- **Approval of Minutes of the Previous Meeting** (recording the motion of acceptance)
- **Old or Unfinished Business** (recording any items, motions or discussions taking place which have carried over from the previous meeting)
- **New Business** (recording any items, motions or discussions taking place for each point of business as listed on the agenda)
- **Reports or Information** (list any speakers and the subject or information they report)
- **Adjournment** (declaring that business has been completed, and noting the time the meeting is ended)

Approval of the Previous Minutes:

- "Minutes of the [insert date] meeting were approved as printed by unanimous consent"
- The motion for the approval of minutes does not require a second and the lack of any objection to them implies unanimous acceptance.
- If a minor correction is offered and accepted denote, "approved as amended" or "with corrections".

Recording Motions:

- "Motion by [name], second by [name] to [briefly restate action to be taken]. Motion carried [insert proper language]"
- When all members agree (with either show of hands of "ayes" and no objections were raised, a motion is denoted in the minutes as "carried by unanimous consent".
- *Example:* "Motion by Smith, second by Brown to accept the report as presented by the sub-committee. Motion carried by unanimous consent."

- If a vote is taken and votes are counted, it is denoted as “motion carried 9-2, commissioners, A and B voted NO”.

Commencement and Adjournment:

- Denote in the minutes what time the meeting was called to order, along with who is present at the beginning of the meeting.
- Persons present should be listed in order of importance from Chairperson, down to secretary, and guests.
- *Example:* “The meeting of the Recycling Commission was held [location] on [date] at [time].” And, “Chairman Smith, Vice-Chair Brown, Commissioners One, Two, and Three, Secretary Jones and Mr. Roberts were present. Commissioner Four was absent.”
- The closing of the meeting should be denoted so that it is known no further business took place off the record. This statement should be the last line in the body of the minutes.
- *Example:* “There being no further items of business or discussion, the meeting adjourned by unanimous consent at [time].
- *A Discussion or Report Wording Example:*
 WRONG- “Mr. Smith said Council is wasting time and money on the branding effort and I really wish they would spend the City’s money fixing snow plows and plowing the roads instead!”
 RIGHT- “Mr. Smith expressed disappointment in the Council’s interest with branding efforts and suggested that other needs such as snow removal, be prioritized.”

Finishing and Acceptance:

- The timeline for preparing, finishing and accepting the minutes is generally as follows:
- Note-taking during the meeting; Tactfully paraphrase discussions and debates to reflect what happened. Accurately record each motion and vote.
- Draft of minutes prepared by the commission secretary may be provided to commission members prior to the next regular meeting for their consideration. This often helps to eliminate typos and speeds approval process by bringing to light any minor corrections needed in advance. This step can be taken at the group’s discretion and is not mandatory. Avoid widespread distribution of minutes before they are approved, as they are not yet an official part of the permanent record.
- Minutes are completed and presented at the next regular meeting for approval. A member of the group makes a motion to accept the minutes of the previous meeting. If there are no objections, the minutes are automatically accepted.
- Once approved, the minutes become certified by the group and may not be changed. They are an official and permanent record of a public body, and are now a public record. Anyone may request, view, read and have/make copies of any minutes, from any group- once they are approved.
- If desired by the group, the approved minutes may be signed and dated on the day of approval by the Chair or Vice-Chair person heading that meeting, further authenticating the record.

It is the responsibility of the secretary of all City Boards and Commissions to submit a copy of the approved minutes to the City Clerk’s Office immediately following a meeting. The Office of the City Clerk is required to keep a record of the meetings of the City’s various Boards and Commissions.

*City Clerk Linda Little: llittle@cityofmorgantown.org
Deputy Clerk Bethany Sypolt: bsypolt@cityofmorgantown.org
Phone: 304-284-7439 Fax: 304-284-7525
Office of the City Clerk
Located in City Hall, Room 10 (3rd Floor)
389 Spruce Street, Morgantown, WV 26505*

Linda Tucker

From: Linda Tucker
Sent: Thursday, December 03, 2015 1:56 PM
To: City Council.GOV
Cc: Moncom@aol.com; bruffy@busride.org; Chelsi Baker
Subject: RE: (no subject)

Mayor and Council, when reviewing the Transit Board Members I found that Jenny Dinsmore (City Appt), Jim Manilla (County Appt) and Clement Solomon(Joint Appt) expires on December 31, 2015. Dave Bruffy is asking if member wish to continue to serve and Diane will do the same. I will also advertise for candidates and if we get any candidates Council will interview at a Special Meeting. If there are No candidates and those serving wish to continue Council will re-appoint.

Thank you,

City Clerk☺

Linda Tucker

From: Moncom@aol.com
Sent: Thursday, December 03, 2015 12:09 PM
To: bruffy@busride.org; Linda Tucker
Subject: (no subject)

Dave and Linda,

I've checked my roster. The term of Jim Manilla, as the Commission's representative does expire December 31. The joint appointment of Clement Solomon also expires on that date.

The Commission will need a letter from each of them that they desire to continue. We also post openings on our web site giving others the opportunity to apply if they choose.

Thanks.

Diane

Linda Tucker

From: Maria Smith <MariaSmith@busride.org>
Sent: Wednesday, December 02, 2015 2:57 PM
To: Linda Tucker
Subject: RE: Mountain Line Recognizes Outstanding Employees in October

Follow Up Flag: Flag for follow up
Flag Status: Flagged

Linda,

Below is the current status of all of our board members:

Appointed by	Current Term	Officers	
County	2010-2012	2013-2015	Jim Manilla ✓
County	2011-2013	2014-2016	Terri Cutright
County	2012-2014	2015-2017	V.P. David Flynn
City	2010-2012	2013-2015	President Jenny Dinsmore ✓
City	2011-2013	2014-2016	Treasurer Ron Bane
City	2012-2014	2015-2017	Secretary Denny Poluga
Joint	2010-2012	2013-2015	Clement Solomon ✓

Please let me know if you need any additional information.

Thanks,
Maria

maria smith
marketing officer

mountain line transit
420 dupont road
morgantown, wv 26501

e: mariasmith@busride.org
w: busride.org
fb: mountainline
t: mountainline
g: google trip planner <http://google/maps/Qu88h>

p: 304.296.3680
f: 304.291.7429

From: Linda Tucker [<mailto:ltucker@morgantownwv.gov>]
Sent: Wednesday, December 02, 2015 11:01 AM
To: Maria Smith
Subject: RE: Mountain Line Recognizes Outstanding Employees in October

Maria, could you check on a Board Member for me and their expiration date? I have 2014 on my list for David Flynn. Thank you☺

Linda Tucker

From: David Bruffy <Bruffy@busride.org>
Sent: Thursday, December 03, 2015 9:49 AM
To: Linda Tucker
Cc: Moncom@aol.com
Subject: RE: Board Appointees

The original terms are staggered and in three year terms. If there was an appointment made in an off year, it wouldn't be for three years, it would only be for the balance of time remaining in a particular term. In this manner, the Authority will never have more than two, new Board Members in one year, excepting when the Joint Appointment expires. In that year, there could be three new members. The Terms were set by the Intergovernmental Agreements the City and County approved when they created the Authority in 1996. Hope that helps.

David Bruffy, CCTM
General Manager
Mountain Line Transit Authority
420 DuPont Road
Morgantown, WV 26501
Bruffy@busride.org
WWW.BUSRIDE.ORG
www.Twitter.com/MountainLine
www.Facebook.com/MountainLine
<http://www.linkedin.com/pub/dave-bruffy/10/137/488>
(304) 296-3680 Office
(304) 291-7433 Route Information
(304) 291-7429 FAX

From: Linda Tucker [mailto:ltucker@morgantownwv.gov]
Sent: Thursday, December 03, 2015 9:27 AM
To: David Bruffy
Cc: Moncom@aol.com
Subject: RE: Board Appointees

David, I think the County Commission already approved that last year? I have 2017 on my list? Diane can you check your records also☺

From: David Bruffy [mailto:Bruffy@busride.org]
Sent: Thursday, December 03, 2015 9:19 AM
To: CityClerk@morgantown.com
Subject: Board Appointees

Linda,

I am writing to request reappointment of Board Member Jenny Dinsmore, whose three year term expires in December. Jenny has been an active member of the Board with regular attendance and she currently serves as the

Authority Board President. I would also request reappointment of Clement Solomon. He is finishing the unexpired term of Hugh Kierig and that term ends at the end of this month as well.

Thank you for your assistance and if you have any questions, please let me know.

Sincerely,

David Bruffy, CCTM

General Manager

Mountain Line Transit Authority

420 DuPont Road

Morgantown, WV 26501

Bruffy@busride.org

WWW.BUSRIDE.ORG

www.Twitter.com/MountainLine

www.Facebook.com/MountainLine

<http://www.linkedin.com/pub/dave-bruffy/10/137/488>

(304) 296-3680 Office

(304) 291-7433 Route Information

(304) 291-7429 FAX

ARTICLE 1389
Board of Zoning Appeals

1389.01	Establishment.	1389.04	Conditional uses.
1389.02	Powers and duties.	1389.05	Judicial review.
1389.03	Variances.		

CROSS REFERENCES

Charter provisions - see CHTR. 6.01
Statutory provisions - see W. Va. Code Art. 8A-8

1389.01 ESTABLISHMENT.

(A) The Board of Zoning Appeals is hereby established and shall consist of five members to be appointed by City Council, all of which shall be residents of the City and three-fifths of such members shall have been residents of the City for at least three years prior to the time of their appointment.

(B) No member of the Board of Zoning Appeals shall be a member of the Planning Commission nor shall any member hold any other elective or appointive office in the City of Morgantown.

(C) The members of the Board shall serve without compensation, but shall be reimbursed for actual expenses incurred in the performance of their official duties. If a vacancy occurs by resignation or otherwise among the members of the Board of Zoning Appeals, City Council shall appoint a member for the unexpired term.

(D) City Council may appoint up to three additional members to serve as alternate members of the Board who shall meet the same eligibility requirements as regular Board members. The term for an alternate Board member shall be three years and Council may appoint alternate members on a staggered term schedule.

(E) An alternate Board member shall serve on the Board when one of the regular members is unable to serve. The alternate Board member shall serve until a final determination is made in the matter to which the alternate member was initially called on to serve.

(F) The Board of Zoning Appeals shall establish rules and procedures for designating an alternate member who shall have the same powers and duties as a regular Board member.

(G) Any decision of the City Manager in the enforcement of this ordinance may be appealed to the Board by any person claiming to be adversely affected by such decision.

1389.02 POWERS AND DUTIES.

The Board shall have the following powers and it shall be its duty to:

- (A) Hear, review and determine appeals from any order, requirement, decision or determination made by the City Manager in the enforcement of this ordinance;
- (B) Authorize exceptions to the district rules and regulations only in the classes of cases or in particular situations, as specified in this ordinance;
- (C) Hear and decide conditional uses upon which the Board is required to act under this ordinance;
- (D) Authorize, upon appeal in specific cases, a variance from the terms of this ordinance;
- (E) Reverse, affirm or modify the order, requirement, decision or determination appealed from and have all the powers and authority of the City Manager from whom the appeal was taken;
- (F) Adopt rules and regulations concerning:
 - (1) The filing of appeals, including the process and forms for the appeal;
 - (2) Applications for variances and conditional uses;
 - (3) The giving of notice;
 - (4) The conduct of hearings necessary to carry out the Board's duties as authorized by State law;
 - (5) Keep minutes of its proceedings;
 - (6) Keep an accurate and complete audio record of all the Board's proceedings and official actions and keep the audio record in a safe manner, accessible within twenty-four hours of demand, for three years;
 - (7) Record the vote on all actions taken;
 - (8) Take responsibility for the custody and preservation of all papers and documents of the Board, which shall be filed in the Planning Office and made public record;
 - (9) With consent from City Council, hire employees necessary to carry out the duties and responsibilities of the Board, provided that Council sets the salaries; and
- (G) Supervise the fiscal affairs and responsibilities of the Board.

1389.03 VARIANCES.

(A) No variance in the application of the provisions of this ordinance shall be made by the Board relating to buildings, land or premises now existing or to be constructed, unless after a public hearing, the Board shall find that the variance:

- (1) Will not adversely affect the public health, safety or welfare, or the rights of adjacent property owners or residents;
- (2) Arises from special conditions or attributes which pertain to the property for which a variance is sought and which were not created by the person seeking the variance;

- (3) Would eliminate an unnecessary hardship and permit a reasonable use of the land; and,
- (4) Will allow the intent of the Zoning Ordinance to be observed and substantial justice done.

(B) In the case where a variance is denied by the Board, said application shall not be eligible for re-submittal for one (1) year from the date of said denial. A new application must be, in the opinion of the Board of Zoning Appeals, substantially different from the application denied, or conditions must have substantially changed for the new proposal to be eligible for consideration within one (1) year from said date of denial.

1389.04 CONDITIONAL USES.

(A) No conditional use application under the terms of this Ordinance shall be made by the Board unless after a public hearing the Board shall find that the conditional use is within the fitting character of the surrounding area and is consistent with the spirit, purpose, and intent of the Zoning Ordinance, because:

- (1) Congestion in the streets is not increased;
- (2) Safety from fire, panic, and other danger is not jeopardized;
- (3) Provision of adequate light and air is not disturbed;
- (4) Overcrowding of land does not occur;
- (5) Undue congestion of population is not created;
- (6) Granting this request will not create inadequate provision of transportation, water, sewerage, schools, parks, or other public requirements;
- (7) Value of buildings will be conserved; and,
- (8) The most appropriate use of land is encouraged.

(B) Each applicant must give their own response to these statements as a basis for the Board's evaluation of the request.

1389.05 JUDICIAL REVIEW.

Every decision or order of the Board of Zoning Appeals shall be subject to review by certiorari. Any person or persons jointly or severally aggrieved by any decision or order of the Board of Zoning Appeals may present to the Circuit Court of the County of Monongalia a petition duly verified, setting forth that such decision or order is illegal in whole or in part, and specifying the grounds of the alleged illegality. The petition must be presented to the Court within thirty (30) days after the date of the decision or the order of the Board of Zoning Appeals complained of.

CHAPTER SEVEN - Boards and Commissions

- Art. 145. Planning Commission.
- Art. 147. Water Commission.
- Art. 149. Board of Park and Recreation Commissioners.
- Art. 151. Traffic Commission.
- Art. 153. Human Rights.
- Art. 155. Parking Authority.
- Art. 156. Metropolitan Theatre Commission.
- Art. 157. Sanitary Board.
- Art. 159. Library Board.
- Art. 160. Housing Advisory Commission.
- Art. 161. Housing Authority. (Repealed)
- Art. 162. Woodburn School Redevelopment Commission.
- Art. 163. Urban Landscape Commission.
- Art. 165. Citizens Advisory Committee. (Repealed)
- Art. 167. Historic Landmarks Commission.
- Art. 168. Museum Commission.
- Art. 169. Utility Board.
- Art. 170. Greater Morgantown Metropolitan Area Youth Commission. (Repealed)
- Art. 171. Building Commission.
- Art. 172. Morgantown Sister Cities Commission.
- Art. 175. Employment Provisions.
- Art. 177. Employees' Retirement and Benefit Fund.

ARTICLE 145
Planning Commission

- | | | | |
|--------|---|--------|-----------------------------------|
| 145.01 | Established. | 145.05 | Offices, facilities and expenses. |
| 145.02 | Composition and membership;
vacancies. | 145.06 | Meetings; quorum. |
| 145.03 | Original appointments. | 145.07 | Powers and duties. |
| 145.04 | Officers. | 145.08 | Purpose of article. |

CROSS REFERENCES

- Authority to establish - see CHTR. Sec. 6.01
- Comprehensive Plan - see CHTR. Sec. 6.02
- Vacancies - see CHTR. Sec. 6.04
- State law provisions - see W. Va. Code Art. 8-24-5 et seq.
- President to serve on Traffic Commission - see ADM. 151.02

145.01 ESTABLISHED.

There is hereby created and established a City Planning Commission.
(1967 Code Sec. 2-74)

145.02 COMPOSITION AND MEMBERSHIP; VACANCIES.

The Planning Commission of the City shall consist of nine members, all of whom shall be freeholders and residents of the City, who shall be qualified by knowledge and experience in matters pertaining to the development of the City and who shall include representatives of business, industry and labor. Three-fifths of all members shall have been residents of the Municipality for at least one year prior to nomination and confirmation or appointment. All members shall be nominated by the City Manager and confirmed by Council.

One member of the Commission shall also be a member of Council, and one member shall also be a member of the administrative department of the City. The term of these two members shall be coextensive with the term of office to which each has been elected or appointed, unless the City Manager and Council, at the first regular meeting each year, appoint others to serve as the City's representatives. The remaining seven members shall be appointed for terms of three years each, except those members first appointed, as provided in Section 145.03, one member being appointed from each ward of the City. Vacancies shall be filled by appointment in the same manner for the unexpired term only. Members of the Commission shall serve without compensation, but shall be reimbursed for all reasonable and necessary expenses actually incurred in the performance of their official duties.
(Ord. 89-43. Passed 10-17-89.)

145.03 ORIGINAL APPOINTMENTS.

For the original appointment of the seven members of the City Planning Commission provided for in Section 145.02, three members shall be appointed for one year, two members for two years and two members for three years.
(1967 Code Sec. 2-76.)

145.04 OFFICERS.

At its first regular meeting in each year, the City Planning Commission shall elect from its members a president and vice-president. It shall designate a member of the Commission to act as an advisory member of the County Planning Commission.
(1967 Code Sec. 2-77.)

145.05 OFFICES, FACILITIES AND EXPENSES.

Council shall provide the City Planning Commission with suitable offices and facilities and shall provide by appropriation a sum sufficient to defray the reasonable expenses of the Commission to enable it to carry out its duties.
(1967 Code Sec. 2-78.)

145.06 MEETINGS; QUORUM.

The City Planning Commission shall fix the time for holding regular meetings, but it shall meet at least once in the months of January, April, July and October.

The provisions of West Virginia Code 8-24-8 and 8-24-9 shall govern special meetings and quorums. (1967 Code Sec. 2-79.)

ARTICLE 147
Water Commission

EDITOR'S NOTE: Former Article 147 was repealed August 16, 1988. The management and control of the Municipal waterworks system has been transferred to the Utility Board established under Article 169.

ARTICLE 149
Board of Park and Recreation Commissioners

149.01	Established.	149.07	Powers.
149.02	Membership; term.	149.08	Use of properties.
149.03	Vacancy.	149.09	Facilities to be maintained.
149.04	Oath; president; vice president; secretary.	149.10	Rules and regulations; legal counsel.
149.05	Compensation.	149.11	Fees.
149.06	Office; employees.	149.12	Appropriation of moneys.

CROSS REFERENCES

Authority to establish - see CHTR. Sec. 4.02
Board of Park and Recreation Commissioners - see W. Va. Code
Art. 8-21

149.01 ESTABLISHED.

A Board of Park and Recreation Commissioners is hereby established. The Board shall be a public corporate body with perpetual existence and a common seal. It shall be known as the Board of Park and Recreation Commissioners of Morgantown, West Virginia. It shall have the power to receive any gift, grant, donation, bequest or devise in its own name or in the name of the City; sue and be sued; contract and be contracted with; and do any and all things and acts which may be necessary, appropriate, convenient or incidental to carry out and effectuate the purposes and provisions of this article.
(Ord. 5-19-81.)

149.02 MEMBERSHIP; TERM.

The Board of Park and Recreation Commissioners shall consist of seven members, a majority of whom shall constitute a quorum for the transaction of business. Each member of the Board must be a resident of the City. The appointment of the members thereof shall be by Council. Membership on Council shall not disqualify any member from being appointed to the Board. Two members of Council, if otherwise qualified, may be appointed to the Board. The term of the Board membership of any such member of Council so appointed shall continue during his term as a member of Council and until his successor is appointed or elected and qualified. The terms of other appointed members shall be for six years, except for the initial appointment as hereinafter stated, and until their successors have been duly appointed and qualified. Council shall appoint the members of the Board, such first appointees to serve, one for a term of six years, two for a term of four years, and two for a term of two years. The date upon which the terms of such Board members shall end shall be the 30th day of June. When any member of the Board, during his term of office, shall cease to be a resident of the City, he shall thereby be disqualified as a member of the Board and his office shall thereupon become vacant. (Ord. 05-20. Passed 6-21-05.)

(NOTE: The next printed page is page 59.)

149.03 VACANCY.

When a vacancy occurs on the Board of Park and Recreation Commissioners by reason of death, resignation, change of residence from the City, expiration of the term or due to any other cause, Council shall appoint a successor or successors, or if there should be no members left on the Board, Council shall appoint successors, and in either event, the appointments shall be for the unexpired term or terms. (Ord. 5-19-81.)

149.04 OATH; PRESIDENT; VICE PRESIDENT; SECRETARY.

(a) After appointment, the members of the Board of Park and Recreation Commissioners shall qualify by taking and filing with the Clerk of the City the oath prescribed by law for public officials, and they shall not be permitted to serve upon the Board until they have so qualified. If any member of the Board shall fail to so qualify on or before the date upon which he should assume the duties of his office, a vacancy shall exist which shall be filled as provided in Section 149.03.

(b) At the first meeting held after the first Board has been appointed, as hereinbefore provided, and thereafter at the first meeting in July of each year, the members of the Board shall organize by electing one of their number president, and another vice president and by electing a secretary who need not be a member of the Board. The secretary shall keep an accurate record of all the fiscal affairs of the Board, and shall keep a minute book in which he shall record the proceedings and transactions of each meeting of the Board. The secretary shall be paid such compensation for his services as the Board shall fix from year to year. The City Finance Director shall be ex-officio treasurer of the Board, and he shall take the oath prescribed by law and shall furnish such bond as may be required by the Board.
(Ord. 5-19-81.)

149.05 COMPENSATION.

The members of the Board of Park and Recreation Commissioners shall receive no compensation for their services but they shall be entitled to reimbursement for all reasonable and necessary expenses actually incurred in the performance of their duties as members of the Board. They shall not be personally interested, directly or indirectly, in any contract entered into by the Board, or hold any remunerative position in connection with the establishment, construction, improvement, extension, development, maintenance or operation of any of the property under their control as members of the Board.
(Ord. 5-19-81.)

149.06 OFFICE; EMPLOYEES.

Council shall furnish the Board of Park and Recreation Commissioners an office in a City building where it may hold its meetings and keep its records. The Board shall have complete and exclusive control and management of all of the properties which shall be operated in connection with the public park and recreation system for the City, and shall have power to employ such persons as, in its opinion, may be necessary for the establishment, construction, improvement, extension, development, maintenance or operation of the property under its control, at such wages or salaries as it shall deem proper, and shall have full control of all employees.
(Ord. 5-19-81.)

149.07 POWERS.

The Board of Park and Recreation Commissioners is hereby granted the power and authority to acquire in its name upon approval of Council or in the name of the City by purchase, lease or by exercise of the power of eminent domain, or otherwise, such land or lands as it shall determine to be necessary, appropriate, convenient or incidental to the establishment, construction, improvement, extension, development, maintenance or operation of a system of public parks, parkways, playgrounds, athletic fields, stadiums, swimming pools, skating rinks or arenas and other public park and recreational facilities for the City, whether of a like or different nature. (Ord. 5-19-81.)

149.08 USE OF PROPERTIES.

The Board of Park and Recreation Commissioners is hereby empowered and authorized to take title in the name of the City, or in its own name, to all real and personal property acquired by it for the use of the public or useful to the public in the establishment, construction, improvement, extension, development, maintenance or operation of all public parks, parkways, playgrounds, athletic fields, stadiums, swimming pools, skating rinks or arenas and all other public park and recreational facilities for the City, whether of a like or different nature, and shall manage and dispose of the same as, in its opinion, will best serve the interests of the public in carrying out the purposes of this article, provided, however, that the Board shall not acquire title or dispose of land in its own name without approval of Council. The City and all other public bodies owning real property intended to be used for public parks and recreation are hereby authorized to let same for use of the Board, upon approval by Council, to be held by it for such purposes, and the Board is hereby authorized to receive the same. Nothing contained in this article shall be construed as limiting the Board from going beyond the corporate limits of the City, anywhere within the State, to lease, purchase or otherwise acquire, in the name of the City, or its name, upon approval of Council, any real property for the purposes herein set forth. The Board shall have the right to recommend the sale, upon approval by Council, such part of the real property that it may acquire by gift, devise, purchase or otherwise in its own name or the name of the City, as it may determine to be of no advantage in the establishment, construction, improvement, extension, development, maintenance or operation of the public parks, parkways, playgrounds, athletic fields, stadiums, swimming pools, skating rinks or arenas and other public park and recreational facilities, whether of a like or different nature; except that the Board shall have the power and authority to recommend such sales and conveyances of real property with approval of Council, as may be necessary, appropriate or convenient to enable the City to obtain the benefits of West Virginia Code Article 8-16 or any other similar act or legislative authorization. Under no circumstances shall any of such real property be sold or conveyed except by unanimous vote of all of the members of the Board and with approval of Council. All deeds conveying the real property of the Board shall be executed by the City, or, if in the name of the Board by its president or vice president, and shall have its seal affixed and shall be duly attested by its secretary. (Ord. 5-19-81.)

149.09 FACILITIES TO BE MAINTAINED.

The Board of Park and Recreation Commissioners shall have the necessary, appropriate, convenient and incidental powers and authority to manage and control all public parks, parkways, playgrounds, athletic fields, stadiums, swimming pools, skating rinks or arenas and other public park and recreational

facilities of all kinds used as a part of the public park and recreation system or as a means of maintaining places of beauty, education and promoting the health, property, lives, decency, morality and good order of the general public, and particularly of the inhabitants of the City and vicinity; to abate or cause to be abated all nuisances affecting same; to regulate or prohibit the selling of any article, goods, wares or merchandise within the park and recreation system so designated; to regulate or prohibit the placing of signs, billboards, posters and advertisements within the park and recreation system as so designated, or the grounds immediately adjacent thereto; to have the same kept in good order and free from obstruction for the use and benefit of the public; to restrict and prohibit vagrants, mendicants, beggars, tramps, prostitutes or disorderly individuals therefrom; to establish, construct, improve, extend, develop, maintain and operate such parks, parkways, playgrounds, athletic fields, stadiums, swimming pools, skating rinks or arenas and other public park and recreational facilities, whether of a like or different nature, on any grounds controlled by the Board; to acquire for public use by lease or otherwise lands either within or without the corporate limits of the City; to cause any public street, avenue, road, alley, way, bridle path or walkway, which is a part of the public park and recreation system, to be graded, drained and surfaced; to construct, maintain and operate all necessary sewers and water lines in connection with the public park and recreation system; and to do any and all other things or acts which may in any way be necessary, appropriate, convenient or incidental to the use and enjoyment of the public park and recreational system by the general public as a place or places of beauty, education, entertainment and recreation.

(Ord. 5-19-81.)

149.10 RULES AND REGULATIONS; LEGAL COUNSEL.

In order to accomplish the foregoing purposes, the Board of Park and Recreation Commissioners is hereby empowered and authorized to promulgate, and amend from time to time, such rules and regulations as may be necessary, appropriate, convenient or incidental thereto. After codification of such rules and regulations, or any amendments thereto, by ordinance of Council which may provide penalties for a violation thereof, which codification is hereby authorized, the Board shall enforce the same by appropriate proceedings in any proper tribunal of this State, or any county, district or municipality thereof; and shall employ such police officers as it shall deem proper and necessary. The City Attorney shall be the official counsel for the Board and shall advise it on all legal matters, but the Board may, in its own discretion, employ other or additional counsel. (Ord. 5-19-81.)

149.11 FEES.

The Board of Park and Recreation Commissioners may make reasonable charges to the public for the privilege of using any of the recreational facilities provided in the park and recreation system and may use the funds so received for the purpose of establishing, constructing, improving, extending, developing, maintaining or operating the park and recreation system.

(Ord. 5-19-81.)

149.12 APPROPRIATION OF MONEYS.

In carrying out the purposes of this article, the Board of Park and Recreation Commissioners is hereby empowered and authorized to receive and disburse for such purposes, any moneys appropriated to it by Council, together with any other funds which may come into its hands by gift, grant, donation, bequest, devise or from its own operation or otherwise.

(Ord. 5-19-81.)

ARTICLE 151
Traffic Commission

- | | |
|------------------------------------|---|
| 151.01 Established. | 151.03 Officers and rules of procedure. |
| 151.02 Composition and membership. | 151.04 Duties. |

CROSS REFERENCES

Authority to establish - see CHTR. Sec. 4.02

151.01 ESTABLISHED.

There is hereby established and created a Traffic Commission for the City, the official name of which shall be "The Morgantown Traffic Commission".
(Ord. 15-09. Passed 2-17-15.)

151.02 COMPOSITION AND MEMBERSHIP.

(a) The Traffic Commission shall be composed of: a member of Council; one resident from each of the City wards; one resident at-large to represent bicycling; one resident at-large to represent walking; and one Planning Commission member. All ward, at-large and Planning Commission members shall be appointed by Council. Ex-officio Commission members of the Traffic Commission shall include the Police Chief, or his/her designee; the City Engineer, or his/her designee; the WVU Parking Director/Planner or his/her designee; the Director of the Morgantown Board of Park and Recreation Commissioners (BOPARC) or his/her designee; the Director of the Mountain Line Transit Authority or his/her designee; and the Director of the Morgantown Monongalia Metropolitan Planning Organization (MMMPO) or his/her designee.

(b) The ex-officio members shall serve without any specific term and shall serve by virtue of their office, enjoying all rights of membership except a vote. Each Council and Planning Commission members shall serve until his or her current respective term on Council or Planning Commission expires.

(c) The members appointed by ward residency, and the at-large members shall each serve for a term of three years. (Ord. 15-09. Passed 2-17-15.)

151.03 OFFICERS AND RULES OF PROCEDURE.

(a) The City Engineer shall call the first meeting of the Traffic Commission. The Commission shall meet at least once a month, and shall select from its own membership a chairperson.

(b) The Commission shall adopt its own rules of procedure and shall keep minutes of regular and special meetings.
(Ord. 15-09. Passed 2-17-15.)

151.04 DUTIES.

The duties of the Traffic Commission shall be to receive citizen input pertaining to traffic issues and to act as an advisory to City Council on matters relating to:

- (a) The movement and regulation of motor vehicles, bicycles and pedestrians within the City.
- (b) The coordination of traffic activities.
- (c) Educational activities in traffic matters.
- (d) The ways, means and methods of improving traffic conditions within the City; and
- (e) The administration and enforcement of traffic regulation. The Commission shall receive such reports and information as deemed necessary by City Administration. The Commission may request the assistance and advice of any other department or official of the City. The City Engineer shall provide primary services for agendas, minutes, studies and implementation of tasks resulting from Commission actions.
(Ord. 15-09. Passed 2-17-15.)

ARTICLE 153
Human Rights

153.01	Declaration of policy.	153.06	Meetings, bylaws and rules.
153.02	Definitions.	153.07	Commission status and objectives.
153.03	City Human Rights Commission established.	153.08	Powers; functions; services.
153.04	Composition and membership.	153.09	Complaints; procedures.
153.05	Officers.		

CROSS REFERENCES

Authority to prohibit housing discrimination - see
W.Va. Code 8-12-9
State Human Rights Commission - see W.Va. Code Art. 5-11
Local human relation commission - see W.Va. Code 5-11-1

153.01 DECLARATION OF POLICY.

In order to build an inclusive community, the City will dedicate deliberate and continuous attention to the human relations and human rights of its residents and visitors.

It is the public policy of the City to provide all of its residents equal opportunity for participation in local governance, employment, equal access to places of public accommodations and equal opportunity in the sale, purchase, lease, rental and financing of housing accommodations or real property. Equal opportunity in the areas of employment, public accommodations, housing accommodations or real property is hereby declared to be a human right or civil right of all persons without regard to race, religion, color, national origin, ancestry, sex, age, blindness or handicap.

The denial of these rights to properly qualified persons by reason of race, religion, color, national origin, ancestry, sex, age, blindness, handicap or familial status is contrary to the principles of freedom and quality of opportunity and is destructive to a free and democratic society.

This City policy is based on the recognition and vision that the diversity found in our city brings forth richness in our community, a greater understanding of our world, a multitude of talent to benefit collective needs, and an opportunity for enhanced living and learning for all. Inherent in this policy is a commitment to encourage and endeavor to bring about equal opportunity, mutual understanding and respect for persons of all ages, abilities, ancestry, blindness, color, disability or handicap, ethnicities, familial status, national origins, sex, sexual orientations, races, religion and other backgrounds or orientations.

(Ord. 12-34. Passed 7-17-12.)

153.02 DEFINITIONS.

When used in this article:

- (a) "Person" means one or more individuals, partnerships, associations, organizations, corporations, labor organizations, cooperatives, legal representatives, trustees, trustees in bankruptcy, receivers and other organized groups of persons.
- (b) "Commission" means the Human Rights Commission of the City.
- (c) "Inclusive City" and "Inclusive Community" as used in this article, shall mean the same thing, e.g., a city that helps people thrive by: supporting hospitality; welcoming diversity; promoting civility; promoting safe, affordable dwellings; enabling participation in community, services, and local government; supporting fairness in access to opportunities and services; reducing violence; supporting social justice; encouraging awareness and understanding of opportunities/limitations; making residents aware of the West Virginia Human Rights Commission; and working for a more sustainable community for present and future citizens.
- (d) "Discriminate" or "discrimination" means to exclude from, or fail or refuse to extend to, a person equal opportunities in employment, public accommodations, housing, or other real property transactions because of race, religion, color, national origin, ancestry, sex, age, blindness, disability, sexual orientation or familial status. Discriminate includes to separate or segregate based on any of these characteristics.
- (e) "Race, religion, color, national origin, ancestry, sex, age, blindness, handicap or disability, and familial status" are defined herein to be equivalent to the definitions in the West Virginia Human Rights Act, Code 5-11-3.
- (f) "Sexual orientation" means having a preference for heterosexuality, homosexuality, being transgendered, or bisexuality, having a history of such preference or being identified with such preference.
- (g) "National League of Cities" means the National League of Cities and its various institutes and programs which relate to diversity in municipal populations throughout the United States and to efforts to support development of more equitable and sustainable communities.
- (h) "Neighborhood Coordinating Council" means the inter-neighborhood entity established by the City in 2005 to facilitate information exchange between the City administration and neighborhoods and among neighborhood organizations within the City.
- (i) "Sister City Program" means a national intercultural exchange program established in 1956 to promote global cooperation and intercultural understanding at the municipal level; stimulate connections, competitiveness and collaboration as well as development in a global market; and support citizen diplomacy on the part of individuals of all ages. The City of Morgantown has established a Sister Cities Commission to support its Sister City relationships established since 1978.
- (j) "Martin Luther King Day" celebrations means special observances related to the national holiday to celebrate respect for individuals of all backgrounds and origin.
- (k) "Teen Court" program means the Teen Court Program established by resolution August 2007.
- (l) "Youth Commission" means the Youth Commission of the City established by ordinance. (Ord. 12-34. Passed 7-17-12.)

153.03 CITY HUMAN RIGHTS COMMISSION ESTABLISHED.

There is hereby established in the City a Human Rights Commission.
(Ord. 12-34. Passed 7-17-12.)

153.04 COMPOSITION AND MEMBERSHIP.

The Human Rights Commission shall consist of seven members to be appointed by City Council. The members shall be residents of and in the City. The Commission may appoint, with the approval of City Council, ex-officio members who shall have the privilege of participation without the right to vote.

Commissioners shall serve for two-year terms beginning with the first meeting after the beginning of the municipal fiscal year. Four of the first seven members shall be appointed to serve terms of two years, while three shall be appointed to serve terms of one year.

Thereafter, terms of office for all commissioners will be staggered with two-year terms. Members may be reappointed to subsequent two-year terms.

(Ord. 12-34. Passed 7-17-12.)

153.05 OFFICERS.

(a) Officers: The officers of the Human Rights Commission shall be a Chairperson, Vice Chairperson, and Secretary. The Chairperson shall serve as the liaison to the City administration.

(b) Appropriation of Funds: City Council may appropriate any funds that it deems necessary to carry out any of the proposals set forth by the Human Rights Commission. The Commission, with the approval of Council, may apply for State and Federal financial aid in grants or other forms of financial assistance through the City Administration to assist in carrying out any approved plans or projects.

(c) Fiscal Responsibilities: The Human Rights Commission shall not have the authority to maintain any independent banking or other financial account. Any such account, if requested, shall be maintained by the City Manager.
(Ord. 12-34. Passed 7-17-12.)

153.06 MEETINGS, BYLAWS AND RULES.

The Human Rights Commission shall meet as often as is deemed necessary by its members, upon call of the chairman. The Commission shall adopt its own bylaws and rules, subject only to the action of Council.

(Ord. 12-34. Passed 7-17-12.)

153.07 COMMISSION STATUS AND OBJECTIVES.

The Commission shall encourage and endeavor to bring about mutual understanding and respect among all racial, religious and ethnic groups within the City; and shall strive to eliminate all discrimination in employment and places of public accommodations by virtue of race, religion, color, national origin, ancestry, sex, age, blindness, sexual orientation or disability, and shall strive to eliminate all discrimination in the sale, purchase, lease, rental or financing of housing and other real property by virtue of race, religion, color, national origin, ancestry, sex, age, blindness, sexual orientation or disability.

In addition, the purpose of the Commission shall be to:

- (a) Work to make Morgantown an inclusive city.
- (b) Collaborate with the National League of Cities, West Virginia University, Monongalia County Commission and other partners as appropriate to encourage leadership in helping attain inclusivity in the City and its larger community.
- (c) Assess needs and identify barriers towards becoming a more inclusive community. Establish goals and objectives for sustaining welcoming environments, enhancing global awareness, and promoting optimum opportunities for supporting safe housing and thriving people.
- (d) Support as well as plan, publicize, implement, and evaluate programs, services and activities which promote appreciation for all peoples and the personal worth of every individual.
- (e) Enlist the cooperation of civic, community, corporate, educational, ethnic, health care, labor, racial, religious, social justice or other identifiable groups of the City in programs and services devoted to the advancement of tolerance, communication and understanding, and equal protection of the laws of all groups and people.

(Ord. 12-34. Passed 7-17-12.)

153.08 POWERS; FUNCTIONS; SERVICES.

The Commission has the right and duty to communicate with City Council and to present to Council any issues that it has investigated pursuant to this article.

The Commission is hereby authorized and empowered:

- (a) To cooperate and work with federal, state and local government officers, units, activities and agencies in the promotion and attainment of more harmonious understanding and greater equality of rights between and among all racial religious and ethnic groups in this City.
- (b) To enlist the cooperation of racial, religious and ethnic units, community and civic organizations, industrial and labor organizations and other identifiable groups of the City in programs and campaigns devoted to the advancement of tolerance, understanding and the equal protection of the laws of all groups and people.
- (c) To hold and conduct public hearings or meetings relating to any and all types of discrimination. These hearings shall be of a non-adjudicatory nature and shall not constitute investigations or adjudication of individual complaints regarding unlawful discrimination under the West Virginia Human Rights Act 5-11-1 et. seq.
- (d) To refer any individual or group complaint regarding alleged acts of unlawful discrimination to the West Virginia Human Rights Commission for investigation and adjudication.
- (e) To recommend to Council policies, procedures, practices and legislation in matters and questions affecting human rights. Study problems and needs related to inclusivity in the City and make specific recommendations to the City Manager and to the City Council and other partners as pertinent.
- (f) To prepare a written report on its work, functions and services for each year ending on June 30 and to deliver copies thereof to Council on or before December 1 next thereafter.
- (g) To do all other acts and deeds necessary and proper to carry out and accomplish effectively the objectives, functions and services contemplated by the provisions of this article, including the promulgation of rules and regulations implementing the powers and authority hereby vested in the Commission.

- (h) To create such advisory agencies within the City as in its judgment will aid in effectuating the purpose of this article; to study the problem of discrimination in all or specific fields or instances of discrimination because of race, religion, color, national origin, ancestry, sex, age, blindness or handicap; to foster, through community effort or otherwise, goodwill, cooperation and conciliation among the groups and elements of the population of the City and to make the recommendations to the Commission for the development of policies and procedures, and for programs of formal and informal education, which the Commission may recommend to the appropriate City agency. Such advisory agencies shall be composed of representative residents serving without pay. The Commission may itself make the studies and perform the acts authorized by this subsection. It may, by voluntary conferences with parties in interest, endeavor to eliminate discrimination in all stated fields and to foster goodwill and cooperation among all elements of the population of the City.
 - (i) To accept contributions from any person to assist in the effectuation of the purposes of this section and to see and enlist the cooperation of private, charitable, religious, labor and civic and benevolent organizations for the purposes of this section.
 - (j) To issue such publications and such results of investigation and research as in its judgement will tend to promote goodwill and minimize or eliminate discrimination; however, the identity of the parties involved shall not be disclosed.
 - (k) To advise, consult with, and inform the City Manager on any matter pertaining to inclusivity in the City.
 - (l) To support and develop program initiatives to promote residents' awareness and knowledge of both opportunities to increase inclusivity and current barriers which limit community inclusiveness and long-term sustainability.
 - (m) To learn about best practices for addressing issues.
 - (n) To create and implement an inclusive community plan for the City which increases public awareness of issues; promotes education and understanding, provides, enables, or enhances services; articulates planned collaboration; and promotes public participation.
 - (o) To review City plans and policies which contain matters relating to inclusivity.
 - (p) To use media and the Internet to frame and convey information about issues, public programs, and service opportunities.
- (Ord. 12-34. Passed 7-17-12.)

153.09 COMPLAINTS; PROCEDURES.

The Commission shall inform any individual claiming to be aggrieved by an alleged unlawful discriminatory practice under West Virginia Human Rights Act 5-11-9 that the Commission does not have the power to accept formal complaints of illegal practices. Any individual claiming to be so aggrieved shall be referred to the West Virginia Human Rights Commission for investigation and adjudication of the complaint.

(Ord. 12-34. Passed 7-17-12.)

ARTICLE 155
Parking Authority

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| <p>155.01 Created.</p> <p>155.02 Jurisdiction.</p> <p>155.03 Composition and membership;
vacancies.</p> <p>155.04 Oath of office.</p> <p>155.05 Members' bonds. (Repealed)</p> <p>155.06 Organization and officers.</p> <p>155.07 Powers and duties.</p> <p>155.08 Appointment of special
police officers.</p> | <p>155.085 Parking enforcement officers.</p> <p>155.09 Powers relative to parking
facilities.</p> <p>155.10 Members not to be interested
in contracts.</p> <p>155.11 Certain State law adopted.</p> <p>155.12 Construction of article.</p> |
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CROSS REFERENCES

- Municipal public works; bonds - see W. Va. Code Art. 8-16
 Authority to lease off-street parking facilities - see
 W. Va. Code 8-12-12
 Off-street parking - see TRAF. Art. 365

155.01 CREATED.

There is hereby established the Morgantown Parking Authority.
 (1967 Code Sec. 2-108.)

155.02 JURISDICTION.

The construction, acquisition, improvement, extension, equipment, custody, operation and maintenance of all automobile parking facilities, except as otherwise provided by this article, including parking lots, parking buildings, ramps, curb line parking and other parking facilities deemed necessary or incidental to the regulation and control and parking of automobiles is hereby vested in the City Parking Authority, hereinafter referred to in this article as the "Parking Authority".
 (1967 Code Sec. 2-109.)

155.03 COMPOSITION AND MEMBERSHIP; VACANCIES.

The Parking Authority shall consist of five persons, each of whom shall be a resident of the City. Two members of such authority shall also be members of the governing body of the City, one of which is to be appointed by the Mayor, and one of which is to be elected by Council. The term of these two members shall be coextensive with the term of office to which he has been elected or appointed. The remaining members of the Commission shall be appointed by Council for a term of three years, such terms to begin on the first day of July of any year; provided, however, that the three members of the Parking Authority heretofore appointed and in office when this article becomes effective shall, unless sooner removed, continue to serve until their respective terms expire and until their successors have been appointed and qualified. In the event of a vacancy in the membership of the Parking Authority a successor shall be appointed by Council for the unexpired term only. Members other than those appointed from the governing body shall serve until their successors have been appointed and qualified.

Any member of the Parking Authority not also a member of the governing body of the City shall be eligible for reappointment upon expiration of his term, and any member who is also a member of the governing body shall be eligible for reappointment; provided, that he is continuing as a member of the governing body. Members of the Parking Authority shall receive no compensation or salary for their services but shall be reimbursed out of the funds of such Authority for any expenses incurred in their duties as such. Any member of the Parking Authority shall be removed for just cause by Council upon written charges and by the vote of a majority thereof after a public hearing thereon.

(1967 Code Sec. 2-110.)

155.04 OATH OF OFFICE.

Each member of the Parking Authority before entering upon the duties of his office shall make before someone authorized by law to administer oaths, and file with the City Clerk, an oath or affirmation to support the Constitution of the United States and of the State, and to perform faithfully, honestly and impartially the duties of his authority to the best of his skill and judgment.

(1967 Code Sec. 2-111.)

155.05 MEMBERS' BONDS. (REPEALED)

EDITOR'S NOTE: Former Section 155.05 was repealed by Ordinance 14-17.

155.06 ORGANIZATION AND OFFICERS.

As soon after the first day of July of each year as possible the Parking Authority shall hold an annual meeting at which time a chairman and a secretary shall be elected from the membership of such Authority. The chairman shall preside at all meetings of the Parking Authority, shall have the power to call a meeting of such Authority at any time and shall perform such other functions as may be provided for in the rules and regulations and by-laws of the Parking Authority. The secretary shall keep a record of the proceedings of the Parking Authority which shall be considered a public municipal record and shall be available for inspection of any person at all reasonable times. The Finance Director shall be treasurer of the Parking Authority. The treasurer shall be the custodian of the funds of the Parking Authority and shall receive and disburse the same as directed by such Authority.
(1967 Code Sec. 2-113.)

155.07 POWERS AND DUTIES.

The Parking Authority shall have the power and authority within the City to construct, acquire, improve, extend, equip, operate and maintain automobile parking facilities, including parking lots, parking buildings and parking ramps deemed necessary or incidental to provide off-street parking facilities for vehicles within the City, and all such works shall be under the custody, control and supervision of such authority.

Such authority shall have the power to collect revenues therefrom for the services rendered thereby, which revenues shall be delivered to the Finance Director and maintained by him in a separate fund designated as the "Parking Facilities Revenue Fund". The revenues from the operation of off-street parking facilities, after allowance for the cost of maintenance and operation, shall be available for the payment of the interest on and principal of the bonds proposed to be issued, which payments shall be made by the Finance Director, with the approval of Council, and no other expenditures from such Fund shall be made without the approval of Council; except, that the Finance Director may honor requisitions from the Parking Authority for reasonable and necessary expenditures not to exceed the sum of five hundred dollars (\$500.00) in any fiscal year.

The Parking Authority shall have power to take all steps and proceedings, and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties; provided, that any contract involving the expenditure of a sum in excess of five hundred dollars (\$500.00) in any fiscal year, and any contract relating to the financing or the acquisition, construction, extension or equipment of any such works, or the issuance of any bonds, or any trust indenture shall be first approved by Council. Rates or charges for the use of, and for the services rendered by the municipal public automobile parking facilities shall be established by Council.

The Parking Authority shall have the power to employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys and such other employees as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, and all such employees shall perform such work and labor as the Parking Authority may direct. All such compensation and expenses incurred in carrying out the provisions of this article shall be paid out of the funds provided under this article and under the provisions of West Virginia Code Article 8-16, and such Authority shall not exercise or carry out any authority or power herein given it so as to bind such Authority or the City beyond the extent to which moneys shall have been, or may be provided for its use by Council, or moneys provided under the authority of West Virginia Code Article 8-16.

No contract or agreement exceeding the sum of one thousand dollars (\$1,000) shall be made without advertising for bids, which bids shall be publicly opened and award made to the lowest responsible bidder, with power in the Parking Authority to reject any and all bids. After the construction, installation, completion or the acquisition of any such public works, the Parking Authority shall operate, manage and control the same, and may order and complete any extensions, betterments and improvements of and to the works that such Authority may deem expedient, if funds therefor are available, or made available as provided in such sections of the Code of West Virginia, and such Authority shall have the right to establish rules and regulations for the use and operation of such works and to do all things necessary or expedient for the successful operation thereof.

The Parking Authority shall also have the power to adopt rules, regulations and by-laws for the conduct of its business and affairs.

The Parking Authority shall make monthly reports to Council. Such reports shall show the financial condition of the various facilities operated by the Parking Authority including receipts and expenditures. The Parking Authority shall provide such other reports and information as Council may from time to time require or request. Any such reports may also in the discretion of the Parking Authority or at the request of Council include such recommendations concerning the activities of the Parking Authority as may be determined proper. (1967 Code Sec. 2-114.)

155.08 APPOINTMENT OF SPECIAL POLICE OFFICERS.

The Parking Authority shall have authority to appoint special police officers, whose sole duties shall be to patrol, and to enforce Municipal ordinances upon or within, designated parking lots and parking buildings under the control of and operated by the Parking Authority. In the performance of such duties, such special police officers shall be vested with power to make arrests, issue summons, sign complaints and request the issuance of capiases. Such special police officers shall be in uniform, shall display a badge or other sign of authority and shall serve at the will and pleasure of the appointing authority. The cost of providing such special parking lot or parking building police officers shall be paid from revenues derived from off-street parking lots or parking buildings. (1967 Code Sec. 2-114.1.)

155.085 PARKING ENFORCEMENT OFFICERS.

The Parking Authority shall have authority to enforce municipal parking ordinances within the City.

The Parking Authority shall appoint parking enforcement officers who will patrol and enforce Municipal parking ordinances upon the streets of the City of Morgantown and, in the performance of such duties shall be vested with power to issue summons and citations and sign complaints.

Parking enforcement officers shall be in uniform and display a badge or other sign of authority.

The salaries of such parking enforcement officers shall be paid by the Parking Authority and the Parking Authority shall retain all income derived from the curblin parking meters.

Parking enforcement officers shall acquire no civil service rights under the civil service rules of the State, shall acquire no rights under the policemen's pension and relief fund provisions of the West Virginia Code, nor shall the limited power delegated to them herein be construed as power or authority of a peace officer.
(Ord. 10-18. Passed 5-18-10.)

155.09 POWERS RELATIVE TO PARKING FACILITIES.

The Parking Authority with reference to automobile parking facilities within the City shall have all of the powers and authorities provided for in West Virginia Code Article 8-16.
(Ord. 10-7-86.)

155.10 MEMBERS NOT TO BE INTERESTED IN CONTRACTS.

No member of the Parking Authority shall become or be directly or indirectly interested in any contract or in the profits to be derived therefrom with the Parking Authority.
(1967 Code Sec. 2-116.)

155.11 CERTAIN STATE LAW ADOPTED.

In the establishing of the Parking Authority, Council does hereby expressly adopt the provisions of West Virginia Code Article 8-16 as provided under the provisions and in accordance with the requirements of West Virginia Code 8-1-6.
(1967 Code Sec. 2-117.)

155.12 CONSTRUCTION OF ARTICLE.

Inasmuch as this article is necessary for the public health, safety and welfare of the residents of the City, it shall be liberally construed to effectuate the purposes thereof.
(1967 Code Sec. 2-118.)

ARTICLE 156
Metropolitan Theatre Commission

- | | | | |
|--------|--------------|--------|-------------------------------------|
| 156.01 | Established. | 156.06 | Meetings. |
| 156.02 | Purpose. | 156.07 | Written reports. |
| 156.03 | Membership. | 156.08 | Freedom of Information Act applies. |
| 156.04 | Vacancies. | | |
| 156.05 | Officers. | | |

CROSS REFERENCES
Authority to establish - see CHTR. 4.02

156.01 ESTABLISHED.

There is hereby established a Metropolitan Theatre Commission for the City.
(Ord. 03-13. Passed 3-18-03.)

156.02 PURPOSE.

The function of the Metropolitan Theatre Commission is to over watch and advise the City Manager and City Council regarding present and future development of the theater, programming, financing of theater projects, and operations of the theater as a whole.
(Ord. 03-13. Passed 3-18-03.)

156.03 MEMBERSHIP.

The Metropolitan Theatre Commission shall consist of nine members. Seven of the members shall be residents of the City who shall be appointed by City Council from those members comprising the Commission of the Metropolitan Theatre Preservation Foundation at the date of adoption of this article. Each of the seven members shall serve a term of four years. Upon the conclusion of that four-year period, subsequent reappointments or new appointments will be for terms as follows:

Two members for a one-year term
and

Two members for a two-year term
and

Three members for a three-year term.

City Council shall determine at the conclusion of the initial four-year term which members of the Commission shall be assigned to the terms indicated above.

Upon the expiration of the terms specified above, all subsequent appointments shall be for a term of three years each.

An eighth member of the Commission shall be a member of the governing body of the City, and shall be elected by City Council. The term of the City Council member shall be coextensive with the term of office to which he or she has been elected or appointed.

A ninth member of the Commission shall be a member of the Monongalia County Commission, and shall be appointed thereto by the County Commission. The term of the County Commission member shall be at the will and pleasure of the Monongalia County Commission.

All members shall serve without compensation.
(Ord. 03-13. Passed 3-18-03.)

156.04 VACANCIES.

Vacancies shall be filled in the same manner as for appointments to the Commission, but for the unexpired term only. The office of a member of the Metropolitan Theatre Commission shall become vacant upon his/her death, resignation, removal from office or failure to attend three consecutive regular meetings of the Commission without being excused by the Commission either before or after such absence.

(Ord. 03-13. Passed 3-18-03.)

156.05 OFFICERS.

The Metropolitan Theatre Commission shall select from its own membership a chairperson, vice-chairperson and secretary.

(Ord. 03-13. Passed 3-18-03.)

156.06 MEETINGS.

The Metropolitan Theatre Commission shall meet as often as it may deem necessary, upon call of the chairperson. All meetings will be subject to the West Virginia Open Governmental Proceedings Act.

(Ord. 03-13. Passed 3-18-03.)

156.07 WRITTEN REPORTS.

The Commission shall submit annual reports to the City Manager and Council summarizing its past year's activities and recommendations for the ensuing year.

(Ord. 03-13. Passed 3-18-03.)

156.08 FREEDOM OF INFORMATION ACT APPLIES.

As a board of the City, the Metropolitan Theatre Commission shall be subject to the West Virginia Freedom of Information Act.

(Ord. 03-13. Passed 3-18-03.)

ARTICLE 157
Sanitary Board

EDITOR'S NOTE: Former Article 157 was repealed August 16, 1988. The management and control of the Municipal sewerage system has been transferred to the Utility Board established under Article 169.

ARTICLE 159
Library Board

159.01	Established; appointment and term of members; vacancies.	159.05	Donations of cash, property or real estate.
159.02	Compensation.	159.06	Library to be free service.
159.03	Duties.	159.07	Withdrawal of State or federal funds.
159.04	Annual report to be made.		

CROSS REFERENCES

State law provisions - see W. Va. Code Art. 10-1

159.01 ESTABLISHED; APPOINTMENT AND TERM OF MEMBERS; VACANCIES.

There is hereby established a Board of five directors who shall be chosen from the residents of the City, with reference to their fitness for such office, and who shall be appointed by the Mayor with approval of Council. The directors shall hold office for five years from the 1st day of July following their appointment, and until their successors are appointed and qualified; provided, that upon their first appointment under this article, a proportionate number shall be appointed for one year, for two years, for three years, for four years and for five years. Vacancies in the Board shall be immediately reported to the Board of the governing authority and filled by appointment in like manner, and, if an unexpired term for the remainder of the term only. A director may be removed by just cause in the manner provided by the by-laws of the Library Board. Council may remove any director for just cause. (1967 Code Sec. 2-129.)

159.02 COMPENSATION.

No compensation shall be paid or allowed any director.
(1967 Code Sec. 2-130.)

159.03 DUTIES.

The Board of Directors of the library shall:

- (a) Immediately after their appointment, meet and organize by electing one member as president, one member as treasurer and one member as secretary and such other officers as may be necessary. All officers shall hold office for one year and shall be eligible for re-election. The treasurer before entering upon his duties shall give bond to the governing authority in an amount fixed by Council and shall, if requested, give bond to the Library Board in an amount fixed by such Board, which bonds shall be conditioned for the faithful discharge of his official fiscal duties. The cost of such bonds shall be paid from the Library Fund.
- (b) Adopt such by-laws, rules and regulations as are necessary for its guidance and for the administration, supervision and protection of the library and all property belonging thereto as may not be inconsistent with the provisions of the laws of the State.

- (c) Supervise the expenditures of all money credited to the Library Fund. All money appropriated or collected for public library purposes shall be deposited in the treasury of the library directors fund as the library's Board of Directors shall direct, and shall be paid out on the certified requisition of the Library Board, in the manner provided for in the by-laws of the Board.
- (d) Employ a head librarian, and upon his or her recommendation employ such other assistants as may be necessary for the efficient operation of the library. (1967 Code Sec. 2-131.)

159.04 ANNUAL REPORT TO BE MADE.

The Board of Directors shall make an annual report at the end of each fiscal year to the City Manager stating the condition of the library property, the various sums of money received from the Library Fund and all other sources, and how such money was expended, the number of books and periodicals on hand, the number added during the year, the number withdrawn from circulation, the number of books lent, the number of registered users of such library, with such other statistics, information and suggestions as may be deemed of general interest. A copy of this report shall be sent to the State Library Commission. (1967 Code Sec. 2-132.)

159.05 DONATIONS OF CASH, PROPERTY OR REAL ESTATE.

The Board of Library Directors shall be a corporation; and as such it may contract and be contracted with, sue and be sued, plead and be impleaded and shall have and use a common seal.

The title in the future to all bequests or donations of cash or other personal property or real estate for the benefit of such library shall be vested in the Board of Library Directors to be held in trust and controlled by such Board according to the terms and for the purposes set forth in the deed, gift, devise or bequest; provided, however, that the person making the bequest or donation of cash or of her personal property or real estate for the benefit of such library shall have the right and privilege to vest the title thereto in a trustee, or trustees, of his own selection, and to provide for the selection of successor trustees and to designate the manner in which such fund or property shall be invested and used.

Should the Library Board be dissolved, all assets of such Board shall revert to and become the property of the City. (1967 Code Sec. 2-133.)

159.06 LIBRARY TO BE FREE SERVICE.

The library shall be free for the use of all persons living within the City, subject to reasonable rules and regulations adopted by the Library Board. The Board may extend the privilege and use of the library to nonresidents upon such terms and conditions as it may prescribe. The Board may exclude from the use of the library under its charge any person who willfully or persistently violates any rule or regulations prescribed for the use of the library or its facilities. (1967 Code Sec. 2-134.)

159.07 WITHDRAWAL OF STATE OR FEDERAL FUNDS.

In the event State or federal funds are withdrawn from the Municipal Library, such Library will revert to the method of operation prior to adoption of this article. (1967 Code Sec. 2-135.)

ARTICLE 160
Housing Advisory Commission

- | | | | |
|--------|---------------------|--------|----------------------------|
| 160.01 | Established. | 160.06 | Meetings. |
| 160.02 | Purpose and duties. | 160.07 | Written reports. |
| 160.03 | Membership. | 160.08 | Freedom of information act |
| 160.04 | Terms of office. | | applies. |
| 160.05 | Officers. | | |

CROSS REFERENCES
Housing Code - see BLDG. AND HOUS. Art. 1751

160.01 ESTABLISHED.

There is hereby established a Housing Advisory Commission for the City.
(Ord. 14-44. Passed 10-21-14.)

160.02 PURPOSE AND DUTIES.

The function of the Housing Advisory Commission is to:

- (a) Serve as the medium for citizen advice and comment on housing issues.
- (b) Provide advocacy for establishing and maintaining diversity in housing types and opportunities.
- (c) Encourage and strengthen collaborative planning and communications between public and private sectors.
- (d) Review, consider, and make recommendations to the City Manager and City Council on all aspects that affect public and private housing.
- (e) Research and discuss housing trends and ideas and make recommendations to the City Manager and City Council regarding housing policy and ordinances.
- (f) Sponsor educational programs on owner and non-owner occupied housing.
(Ord. 14-44. Passed 10-21-14.)

160.03 MEMBERSHIP.

(a) The Housing Advisory Commission shall consist of thirteen members who shall be appointed by Morgantown City Council as follows:

- (1) One member of Morgantown City Council;
- (2) One member from West Virginia University's Off-Campus Housing office;
- (3) One member from West Virginia University's Office of Student Legal Services;
- (4) One member from West Virginia University's Student Government;

ARTICLE 162
Woodburn School Redevelopment Commission

- | | | | |
|--------|--------------|--------|--|
| 162.01 | Established. | 162.06 | Meetings. |
| 162.02 | Purpose. | 162.07 | Written reports. |
| 162.03 | Membership. | 162.08 | Freedom of Information Act
applies. |
| 162.04 | Vacancies. | | |
| 162.05 | Officers. | | |

162.01 ESTABLISHED.

There is hereby established a Woodburn School Redevelopment Commission.
(Ord. 13-49. Passed 9-3-13.)

162.02 PURPOSE.

The function of the Woodburn School Redevelopment Commission is to watch over and advise the City Manager and City Council regarding present and future development of the former Woodburn School property, programming, financing of projects, and operations of the property as a whole.
(Ord. 13-49. Passed 9-3-13.)

162.03 MEMBERSHIP.

(a) The Woodburn School Redevelopment Commission shall consist of seven members who shall be appointed by City Council. Each of the seven members shall serve for a three-year term. Upon the conclusion of that three-year period, subsequent reappointments or new appointments will be for terms as follows:

- Two members for a one-year term
- and
- Two members for a two-year term
- and
- Three members for a three-year term

(b) One member of the Commission shall be a member of the governing body of the City and shall be elected by City Council. The term of the City Council member shall be coextensive with the term of the office to which he or she has been elected or appointed. The Commission will be administered by the City Manager's Office. All members shall serve without compensation.

(Ord. 13-49. Passed 9-3-13.)

162.04 VACANCIES.

Vacancies shall be filled in the same manner as for appointments to the Commission, but for the unexpired portion of the term only. The office of a member of the Woodburn School Redevelopment Commission shall become vacant upon his/her death, resignation, removal from office, or failure to attend three consecutive regular meetings of the Commission without being excused by the Commission either before or after such absence.

(Ord. 13-49. Passed 9-3-13.)

162.05 OFFICERS.

The Woodburn School Redevelopment Commission shall select from its own membership a chairperson, vice-chairperson, and secretary.

(Ord. 13-49. Passed 9-3-13.)

162.06 MEETINGS.

The Woodburn School Redevelopment Commission shall meet as often as it may deem necessary, upon call of the chairperson. All meetings will be subject to the West Virginia Open Government Proceedings Act.

(Ord. 13-49. Passed 9-3-13.)

162.07 WRITTEN REPORTS.

The Commission shall submit annual reports to the City Manager and City Council summarizing its past year's activities and recommendations for the ensuing year.

(Ord. 13-49. Passed 9-3-13.)

162.08 FREEDOM OF INFORMATION ACT APPLIES.

As a Commission of the City, the Woodburn School Redevelopment Commission shall be subject to the West Virginia Freedom of Information Act.

(Ord. 13-49. Passed 9-3-13.)

ARTICLE 163
Urban Landscape Commission

163.01	Established.	163.06	Officers.
163.02	Purpose.	163.07	Meetings.
163.03	Membership.	163.08	Appropriation of funds.
163.04	Term.	163.09	Annual report.
163.05	Vacancies.		

CROSS REFERENCES

Authority to establish - see CHTR. Sec. 4.02

163.01 ESTABLISHED.

There is hereby established an Urban Landscape Commission for the City, the official name of which shall be the "Morgantown Urban Landscape Commission".
(Ord. 09-38. Passed 8-18-09.)

163.02 PURPOSE.

The purpose of the Urban Landscape Commission shall be to advise and recommend to the City Manager and/or City Council such plans, programs and projects which in the opinion of the Commission would improve the natural, aesthetic, and environmental quality of life within the City. The Commission shall review and make timely recommendations on all landscape plans accompanying new or reconstructed City buildings, parks, parking lots, trails and other City-owned realty. The Commission shall also appoint a Tree Board, which shall serve in an advisory capacity to the City Manager, when called upon by him/her, in administering the City's Tree and Shrub Ordinance (Article 917). The Commission shall also serve as a resource for the review of private sector projects as requested by the City Manager and/or the Planning Commission.
(Ord. 09-38. Passed 8-18-09.)

163.03 MEMBERSHIP.

The Urban Landscape Commission shall consist of twelve members, consisting of the following: one from each ward of the City, one having expertise in Landscape Architecture, one having expertise as an Urban Forester, one having expertise as a Botanist or equivalent expertise, one being a member of the Board of Parks and Recreation Commission, and one being a member of City Council. All persons shall be residents of the City. The City Manager shall appoint a member of the City Administration to serve as an ex-officio member of the Commission. The seven Commission members, who represent wards, shall be nominated by the City Manager, upon the recommendation of their ward Councilperson and confirmed by City Council. The remaining members shall be nominated by individual Councilpersons and confirmed by City Council.
(Ord. 13-04. Passed 2-19-13.)

163.04 TERM.

All non-ward members of the Urban Landscape Commission shall serve three-year terms as previously established by City Council. Whereas, it is the intent of City Council to stagger the terms of ward Urban Landscape Commission members so that no more than three of the seven ward terms shall expire in the same year. The terms of current ward members shall be as follows:

1 st Ward	7-01-09 to 7-01-12
2 nd Ward	7-01-10 to 7-01-12
3 rd Ward	7-01-09 to 7-01-12
4 th Ward	7-01-10 to 7-01-13
5 th Ward	7-01-10 to 7-01-13
6 th Ward	7-01-10 to 7-01-13
7 th Ward	7-01-10 to 7-01-11

All subsequent appointments of ward members shall be for a term of three years each.
(Ord. 09-38. Passed 8-18-09.)

163.05 VACANCIES.

Vacancies shall be filled subject to the conditions set forth in Section 163.03 and for the unexpired term only. The office of a member of the Urban Landscape Commission shall become vacant upon the member's death, resignation, or removal from office. Should a member fail to attend more than one-half of the meetings of the Commission in a consecutive twelve-month period, the Chairperson shall confer with the member so as to assess the ability of the member to continue serving as a member of the Commission. All members shall serve without compensation. (Ord. 09-38. Passed 8-18-09.)

163.06 OFFICERS.

At the first Commission meeting of July in each year, the Urban Landscape Commission shall select from its own membership a chairperson, vice-chairperson, and secretary. (Ord. 09-38. Passed 8-18-09.)

163.07 MEETINGS.

The Urban Landscape Commission shall meet as often as it may deem necessary by its members, upon call of the chairperson. The Commission shall adopt its own by-laws or rules subject only to the action of Council.
(Ord. 09-38. Passed 8-18-09.)

163.08 APPROPRIATION OF FUNDS.

Council may appropriate any funds that it deems necessary to carry out any of the proposals set forth by the Urban Landscape Commission. The Commission, with the approval of City Council, may apply for federal and state financial aid in grants or other forms of financial assistance through the City Administration to assist in carrying out any of such proposals or projects. The Commission may also seek financial assistance from organizations or individuals for such purposes in consultation with the City Administration. All Commission funding shall be received and managed by the office of the City Manager.
(Ord. 09-38. Passed 8-18-09.)

163.09 ANNUAL REPORT.

Council may request a yearly report from the Urban Landscape Commission regarding its services provided throughout the previous year. This report may include information, statistics and recommendations which may be deemed of general interest.
(Ord. 09-38. Passed 8-18-09.)

ARTICLE 165
Citizens Advisory Committee

EDITOR'S NOTE: Former Article 165 was repealed by Ordinance 04-32, passed September 22, 2004.

ARTICLE 167
Historic Landmarks Commission

167.01	Establishment.	167.09	Priorities.
167.02	Legislative purpose.	167.10	Commission powers and duties.
167.03	Members; qualifications; term; compensation.	167.11	Restriction on use of property designated as historic landmark.
167.04	Officers; meetings; quorum; rules.	167.12	Notice to County Assessor of designation of historic district.
167.05	Employees.	167.13	Assistance of State agencies; coordination.
167.06	Offices and expenses; other appropriations.	167.14	Notice and public hearing.
167.07	Meeting minutes.		
167.08	Annual report; reports to the Department of Culture and History.		

CROSS REFERENCES

Historic Landmarks Commission - see W. Va. Code Art. 8-26A

167.01 ESTABLISHMENT.

There is hereby established, in the City, the Morgantown Historic Landmarks Commission, hereinafter referred to as the "Commission".
(Ord. 10-7-86.)

167.02 LEGISLATIVE PURPOSE.

Council establishes the Commission in order to promote economic revitalization and improve property values, to enhance the educational, cultural, historical and aesthetic quality of the City and to accomplish the objectives set forth in West Virginia Code Article 8-26A, as amended.
(Ord. 10-7-86.)

167.03 MEMBERS; QUALIFICATIONS; TERM; COMPENSATION.

The Commission shall consist of five members appointed by Council.

- (a) Qualifications. All members shall be residents of the City. One member shall be a member of Council. To the extent such persons are available in the City at the time of appointment, at least two members shall have a demonstrated special interest, experience or education in historic preservation or in professions related to historic preservation, such as history, public history, architecture, architectural history, planning, real estate, American studies, geography, landscape architecture or law.

- (b) Term. The member of Council appointed by Council to serve on the Commission shall serve a term commensurate with his Council term. Of the remaining original members, one shall be appointed to serve for a term of one year, one for a term of two years, one for a term of three years, and one for a term of four years. Thereafter, members shall be appointed to a term of four years.

A member may be appointed for a second consecutive term, but after two consecutive full terms, a member shall be ineligible for reappointment until a calendar year has elapsed since the date of his or her second term.

- (c) Method of Filling Vacancies. Appointments to fill a vacancy in membership shall be made by the established procedure for regular appointments and for the balance of the unexpired term.
- (d) Compensation; Reimbursement for Expenses. Commission members shall serve without compensation, but shall be reimbursed for all reasonable and necessary expenses actually incurred in the performance of duties.
(Ord.10-7-86.)

167.04 OFFICERS; MEETINGS; QUORUM; RULES.

(a) Officers. At its first regular meeting in each calendar year, the Commission shall elect from its members a president, a vice president and a secretary-treasurer. The vice president shall have the power and authority to act as president during the absence or disability of the president.

(b) Meetings. The Commission shall fix the time for holding regular meetings but shall meet at least once in the months of January, April, July and October. The Commission may meet more often as it shall determine or require. Reasonable notice of the time and place of meetings shall be given to the public. All meetings shall conform to the West Virginia Open Governmental Proceedings Act, West Virginia Code Article 6-9A, as amended.

(c) Quorum. A majority of the members of the Commission shall constitute a quorum. No action of the Commission shall be official, unless authorized by a majority of all members of the Commission at a properly constituted regular or special meeting.

(d) Votes. The vote of each Commission member shall have equal weight.

(e) Rules. The Commission shall adopt and publish rules of procedure upon approval of Council. (Ord. 10-7-86.)

167.05 EMPLOYEES.

The Commission is authorized and empowered to employ within the limits of funds available therefor, such employees, assistants, technical personnel and consultants as are necessary to discharge the duties and responsibilities of the Commission.
(Ord. 10-7-86.)

167.06 OFFICES AND EXPENSES; OTHER APPROPRIATIONS.

Council shall provide the Commission with suitable offices for holding of meetings and the preservation of plans, maps, documents and accounts, and shall provide for the operating expenses of the Commission by appropriating a sum sufficient to defray such expenses. Council shall have plenary power and authority to appropriate funds for expenditure by the Commission to accomplish the purposes of this article. (Ord. 10-7-86.)

167.07 MEETING MINUTES.

The Commission shall keep permanent minutes of all its meetings. The minutes shall record attendance of its members, its resolutions, findings, recommendations and actions. The Commission minutes shall be forwarded to Council within two weeks. The Commission minutes shall be a public record. (Ord. 10-7-86.)

167.08 ANNUAL REPORT; REPORTS TO THE DEPARTMENT OF CULTURE AND HISTORY.

(a) Annual reports shall be prepared and submitted to Council and to the State Historic Preservation Office of the Department of Culture and History within sixty days after the end of the fiscal year or the portion of the fiscal year in the first year of establishment of the Commission. The annual report to Council shall contain the above information as well as budget requests and recommendations.

(b) The Commission shall prepare and submit reports of Commission activities to the Historic Preservation Officer in the Department of Culture and History as required by administrative regulations promulgated by that agency. (Ord. 10-7-86.)

167.09 PRIORITIES.

In addition to such other matters as may be from time to time hereafter specifically requested by Council, the Commission shall make and recommend to Council a detailed plan to protect and foster the preservation of historical landmarks commensurate with growth in the City. (Ord. 10-7-86.)

167.10 COMMISSION POWERS AND DUTIES.

(a) General Powers. To the extent authorized by West Virginia Code Article 8-26A, as amended, the Commission shall act as a regulatory agency with respect to the construction, renovation, alteration or restoration of structures designated as historical landmarks, by the Federal, State or local government. Rules and regulations, including action under subsection (b)(5) and (6) hereof shall have the same effect as ordinances passed by Council until altered, repealed, revoked or amended by Council.

The Commission shall be independent of the City Planning Commission: provided that no rule or regulation of the Commission shall conflict with any plan of such Planning Commission. Prior to any favorable recommendation to Council by the Planning Commission with respect to construction, renovation, alteration or restoration of structures designated by proper authorities as historical buildings, such Planning Commission shall obtain from the Historic Landmarks Commission its certificate of approval with respect to the proposed project.

(b) Special Powers.

The Commission shall have plenary power and authority to:

- (1) Make survey of, and designate as historic landmarks, buildings, structures and sites which constitute the principal historical and architectural sites which are of local, regional, Statewide or national significance. No building, structure or site shall be deemed to be an historic one unless it has been prominently identified with, or best represents, some major aspect of the cultural, political, economic, military or social history of the locality, region, State or nation, or has had a major relationship with the life of an historic personage or event representing some major aspect of, or ideals related to the history of the locality, region, State or nation. Buildings or structures which are to be so designated shall embody the principal or unique features of an architectural type or demonstrate the style of a period of our history or method of construction, or serve as an illustration of the work of a master builder, designer or architect whose genius influenced the period in which he worked or has significance in current time;
- (2) Prepare a register of buildings, structures and sites which meet the requirements of subsection (b)(1) hereof, publish lists of such properties and with the consent of the property owners, inspect such properties from time to time and publish a register thereof from time to time setting forth appropriate information concerning the registered buildings, structures and sites;
- (3) With the consent of the property owners, certify and mark with appropriately designed markers, buildings, structures and sites which it has registered;
- (4) Establish standards for the care and management of certified landmarks and withdraw such certification for failure to maintain the standards so prescribed;
- (5) Acquire by purchase, gift or lease and administer registered landmarks and easements and interests therein, both real and personal;
- (6) Lease or sell property so acquired under terms and conditions designed to insure the proper preservation of the landmark in question;
- (7) Establish historic districts for registered landmarks, utilizing the same guidelines set forth in subsection (b)(1) hereof and designate the area thereof by appropriate markers;
- (8) Identify historical districts for registered landmarks and aid and encourage the municipality or county in which the district or landmark is located to adopt rules and regulations for the preservation of historical or architectural values;
- (9) Prepare and place historical markers on or along the highway or street closest to the location which is intended to be identified by such a marker;
- (10) Seek the advise and assistance of individuals, groups and departments and agencies of government who or which are conducting historical preservation programs and coordinate the same insofar as possible;
- (11) Seek and accept gifts, bequests, endowments and funds from any and all sources for the accomplishment of the functions of the Commission;
- (12) Adopt rules and regulations concerning the operation of the Commission, the functions and responsibilities of its officers, employees, assistants and other personnel and such other matters as may be necessary to carry out the purposes of this article; and
- (13) Adopt such other rules and regulations as may be deemed necessary to effectuate the purposes of this article, but no such rules and regulations shall be inconsistent with the provisions of this article or with any plan of the planning commission of such municipality or county.

(Ord. 10-7-86.)

167.11 RESTRICTION ON USE OF PROPERTY DESIGNATED AS HISTORIC LANDMARK.

Whenever any such commission, with the consent of the property owner, certifies property as being a registered landmark, it may seek and obtain from such property owner an agreement as to such restrictions upon the use of the property as the commission finds are reasonable and are calculated to perpetuate and preserve the features which led it to designate such property as an historic landmark. All such agreements between such commission and the property owner shall be in writing and when duly signed and acknowledged, shall be recorded in the office of the clerk of the county court of the county wherein such landmark is located and when so recorded shall be notification to the assessor of such county of the restrictions therein set forth.

(Ord. 10-7-86.)

167.12 NOTICE TO COUNTY ASSESSOR OF DESIGNATION OF HISTORIC DISTRICT.

When any such commission establishes an historic district, it shall notify the county assessor of the county in which such district or any part thereof is located of the fact of such establishment and the boundaries of the district, together with the restrictions which are applicable to the properties located in such district which have been mutually agreed upon such commission and the owners of the property within such district. The agreement shall be recorded in the same manner as the recordation of agreements between the commission and owners of designated landmarks entered into pursuant to the provisions of Section 167.11 hereof. The county assessor shall take such factors into consideration in assessing the properties therein.

(Ord. 10-7-86.)

167.13 ASSISTANCE OF STATE AGENCIES; COORDINATION.

Upon the request of any such commission, all agencies of the State shall assist such commission in the discharge of its duties and functions.

The Commission shall cooperate and coordinate its activities with the State Historical Society and the State Department of Culture and History, with the view of developing a unified program for the identification, study, preservation and protection of all historic buildings, structures and sites in this State.

(Ord. 10-7-86.)

167.14 NOTICE AND PUBLIC HEARING.

Prior to the designation of an historic district, the Commission shall give reasonable notice and hold a public hearing on the matter.

(Ord. 10-7-86.)

ARTICLE 168
Museum Commission

- | | | | |
|--------|---|--------|----------------------------------|
| 168.01 | Established. | 168.07 | Appropriation of funds. |
| 168.02 | Members. | 168.08 | Powers and duties. |
| 168.03 | Officers. | 168.09 | Cooperation with State agencies. |
| 168.04 | Meetings. | 168.10 | Annual report. |
| 168.05 | Voting. | | |
| 168.06 | Compensation and reimbursement
for expenses. | | |

CROSS REFERENCES

- Authority to establish - see W. Va. Code 8-12-5(38)
Museum commissions - see W. Va. Code 7-11A-1 et seq.

168.01 ESTABLISHED.

There is hereby formed, created and established a municipal museum commission known as the Morgantown Museum Commission (the "Commission"). The Commission is established pursuant to authority granted to the Municipality by Sections 7-11A-1 et seq. of the West Virginia Code. (Ord. 05-06. Passed 3-15-05.)

168.02 MEMBERS.

The Commission shall consist of ten members who shall be appointed by City Council. The terms of the individual Commission members first appointed shall be as follows:

- Two members - 5 years
- Two members - 4 years
- Two members - 3 years
- Two members - 2 years
- Two members - 1 year.

All vacancies shall be filled for the unexpired term only and all other appointments shall be for a term of five years, to commence on the date following the scheduled expiration date of the previous term. At all times one of the ten members of the Commission shall be a member of City Council. All members of the Commission shall be residents of the City. (Ord. 05-06. Passed 3-15-05.)

168.03 OFFICERS.

The Commission shall select from its own membership a chairperson, vice-chairperson and secretary. (Ord. 05-06. Passed 3-15-05.)

168.04 MEETINGS.

The Commission shall meet on a monthly basis. Special meetings may be held as deemed necessary by the Chairperson. Such meetings shall be subject to the requirements of the West Virginia Open Governmental Proceedings Act. A quorum of members must be present before a meeting of the Commission can be held at which any official action of the Commission is to take place.

(Ord. 05-06. Passed 3-15-05.)

168.05 VOTING.

Every member of the Commission present, when a question is put, shall vote unless he/she is interested therein other than as a resident of the City. To be successful, an issue shall require six affirmative votes.

(Ord. 05-06. Passed 3-15-05.)

168.06 COMPENSATION AND REIMBURSEMENT FOR EXPENSES.

The members of the Commission shall receive no compensation for their services, but shall be entitled to reimbursement for reasonable and necessary expenses actually incurred in the performance of their duties as a Commission member, if said Commission member has received approval from the City's Finance Director to make such expenditure prior to incurring said expense.

(Ord. 05-06. Passed 3-15-05.)

168.07 APPROPRIATION OF FUNDS.

City Council may appropriate any funds that it deems necessary to carry out any of the proposals set forth by the Commission, so long as said proposal complies with the authority granted to the Commission by this article. The Commission, on behalf of the City, may receive gifts, grants, donations, bequests or devises from sources other than public funds.

(Ord. 05-06. Passed 3-15-05.)

168.08 POWERS AND DUTIES.

It shall be the duty of the Commission to advise and recommend to the City Manager and/or City Council museum programs or projects within the City's corporate limits.

The Commission shall not have the authority to contractually bind the City on any matter.

Should the Commission so desire, it has the authority to recommend to City Council that a specific admission fee be approved by Council for entrance into a designated museum of the City. (Ord. 05-06. Passed 3-15-05.)

168.09 COOPERATION WITH STATE AGENCIES.

The Commission shall cooperate and coordinate its activities with the West Virginia Department of Archives and History, the West Virginia Historical Society and the West Virginia Antiquities Commission. (Ord. 05-06. Passed 3-15-05.)

168.10 ANNUAL REPORT.

On December 1st of each calendar year, the Commission shall file an annual report with the City Manager describing its activities for the previous twelve months. The City Manager shall present the Commission's report to City Council.

(Ord. 05-06. Passed 3-15-05.)

ARTICLE 169
Utility Board

<p>169.01 Creation; members; compensation.</p> <p>169.02 Organization.</p> <p>169.03 Powers and duties.</p> <p>169.04 General Manager created; other employees.</p>	<p>169.05 Financial reports; minutes; budget.</p> <p>169.06 Waterworks, sewerage system and stormwater system accounts; personnel policies.</p> <p>169.07 Pension plan.</p>
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CROSS REFERENCES

Combined waterworks and sewerage system - see W.Va. Code Art. 8-20

169.01 CREATION; MEMBERS; COMPENSATION.

(a) Upon the issuance of the combined waterworks and sewerage system refunding revenue bonds, the management, control and operation of the waterworks system and the sewerage system of the City shall be vested in the Morgantown Utility Board (the "Board"), created, appointed and functioning as hereinafter provided.

(b) The management, control and operation of the stormwater drainage and sewer system of the City shall be vested in the Morgantown Utility Board.

(c) The Board shall consist of five persons, each of whom shall be residential customers of the Morgantown Utility Board, shall be persons of outstanding reputation, ability and integrity, and shall be appointed by Council. No more than two of the appointees may be citizens of Monongalia County, residing outside of the corporate limits of the City; all remaining appointees shall be citizens and residents of the City. The City Manager shall notify all appointees of their appointment. The terms of such Boardmembers first appointed shall be for one, two, three, four and five years, respectively, from the first day of the month in which appointed. In the event of a vacancy and also within thirty days after the expiration of the term of office of any Boardmember, a successor shall be appointed by Council. All vacancies shall be filled for the unexpired term only and all other appointments shall be for a term of five years, to commence on the date following the scheduled expiration date of the previous term. The Board shall

adopt rules of procedure for the time and place of its meetings and the conduct thereof. Any Boardmember shall be eligible for reappointment upon the expiration of his term. The Boardmembers shall each receive compensation for their services at the rate established by ordinance of Council and in addition, shall be reimbursed for any and all expenses incurred in the performance of their duties under order of the Board. Each Boardmember shall be subject to removal for just cause by Council by the recorded vote of a majority of Council after a public hearing thereon. The decision of Council as to such removal shall be final and not subject to review by any court, arbitrator or other body, and each Boardmember accepting such appointment shall acknowledge the finality of such decision. (Ord. 11-50. Passed 12-20-11.)

169.02 ORGANIZATION.

At the first meeting of the Board and annually thereafter, it shall organize by designating one of the Boardmembers to act as chairman and another or others to act as secretary and/or treasurer thereof. The chairman shall preside at all meetings when present and shall call special meetings on his own motion, or when requested to do so by any two Boardmembers. The secretary shall keep a record of the proceedings which shall be available for inspection as other Municipal records. The treasurer shall disburse the funds of the Board as directed by it. In the event that any Boardmember shall be unable to fulfill the duties of his office for a period of six months, a majority of the remainder of the Boardmembers may declare the office of such Boardmember vacant and Council shall thereupon fill such vacancy as otherwise provided for herein. (Ord. 9-1-87.)

169.03 POWERS AND DUTIES.

The Board shall have full and complete supervision, management and control of the waterworks system, the sewerage system and the stormwater system, including the maintenance, operations, improvements and extension thereof, all of which shall be combined as a single system under Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "system"). All bills for water, sewer and stormwater service shall be collected and accounted for by the Board in the manner and form required by law, the Public Service-Commission and/or the ordinances of the City, and all disbursements and accounts of the system shall be ordered paid out only upon approval of such Board; provided however, that all such supervision, management and control of the systems and the collection and accounting for bills for water, sewer and stormwater service shall be consistent and in accordance with any ordinance pursuant to which the City may have authorized and issued any bonds from time to time outstanding, which by their terms are payable from and secured by the revenues of the system. The Board shall have the power and authority to make all contracts, agreements and other matters necessary or proper for the full complete supervision, management and control of the system. (Ord. 07-15. Passed 5-1-07.)

169.04 GENERAL MANAGER CREATED; OTHER EMPLOYEES.

The Board shall have power to employ, affix the compensation of and discharge a General Manager of the system and shall direct, employ and fix the compensation of and discharge all other employees of the system. The General Manager of the system, upon his appointment and taking office, shall furnish and file with the City Clerk, a bond in the sum and penalty of fifty thousand dollars (\$50,000), the cost of such bond to be payable from revenues of the system and such bond shall be payable to the City and conditioned as to the faithful performance of the General Manager's duties as are fixed by the Board. (Ord. 02-13. Passed 5-21-02.)

169.05 FINANCIAL REPORTS; MINUTES; BUDGET.

The Board shall provide reports, at least semiannually, or as otherwise required by law, to the City Manager and Council, indicating the Board's financial condition. The Board shall also, if requested by the Mayor or City Manager provide the City with yearly audited financial statements, minutes of all meetings of the Board, an annual budget and other information as may reasonably be requested. (Ord. 9-1-87.)

169.06 WATERWORKS, SEWERAGE SYSTEM, AND STORMWATER SYSTEM ACCOUNTS; PERSONNEL POLICIES.

Following the defeasance of the water revenue bonds and sewer revenue bonds, all assets and liabilities of the waterworks system and sewerage system, including accounts receivable and accounts payable and all employees thereof, shall be under the management and control of the Board. All assets and liabilities of the stormwater system, including accounts receivable and accounts payable, shall be under the management and control of the Board. Personnel policies and practices and other matters affecting employees of the Board, except pensions, shall be determined by the Board. (Ord. 02-13. Passed 5-21-02.)

169.07 PENSION PLAN.

Upon transfer of the management and control of the employees of the waterworks system and sewerage system to the Board, all such employees shall be under the general pension plan of the City, subject to such adjustments as shall be provided for by resolution of Council. (Ord. 9-1-87.)

ARTICLE 170
Greater Morgantown Metropolitan
Area Youth Commission (Repealed)

EDITOR'S NOTE: Former Article 170 was repealed by Ordinance 14-21.

ARTICLE 171
Building Commission

171.01 Established; members.

CROSS REFERENCES
Municipal building commission - see W.Va. Code Art. 8-33

171.01 ESTABLISHED; MEMBERS.

There is hereby formed, created and established a municipal building commission to be known as the Morgantown Building Commission (the "Commission"). In accordance with West Virginia Code Article 8-33, the Commission shall be a public corporation and have perpetual existence.

The Commission shall have all powers granted by West Virginia Code Article 8-33 and any other powers granted to it by applicable law.

The Board of the Commission shall consist of three members.

At the conclusion of the term of the appointment of each original member of the Commission, Council shall appoint a successor for a term of five years. Not more than two of the three members of the Board named above shall be from the same political party and no member shall hold any office (other than the office of notary public) or employment under the United States of America, the State of West Virginia, any county or political subdivision thereof, or any political party. All members shall be residents of the City.

The Commission shall not incur any indebtedness or acquire any property, real or personal, without the prior written consent of Council.

No indebtedness of any nature of the Commission shall constitute an indebtedness of the City of Morgantown, the County of Monongalia, or any agency thereof, except the Commission. No indebtedness or obligations incurred by the Commission shall give any right against any member of Council or any member of the Commission.

(Ord. 8-2-88.)

ARTICLE 172
Morgantown Sister Cities Commission

172.01	Established.	172.06	Compensation and reimbursement for expenses.
172.02	Members.	172.07	Appropriation of funds.
172.03	Officers.	172.08	Purpose, powers, and duties.
172.04	Meetings.		
172.05	Voting.		

172.01 ESTABLISHED.

There is hereby formed, created and established a municipal Sister Cities Commission, known as the Morgantown Sister Cities Commission (the "Commission").
(Ord. 10-10. Passed 3-2-10.)

172.02 MEMBERS.

The Commission shall consist of nine members who shall be appointed by City Council. The terms of the individual Commission members first appointed shall be as follows:

- Three members - 3 years
- Three members - 2 years
- Three members - 1 year

All vacancies shall be filled for the unexpired term only. All other appointments shall be for a term consistent with that set for the member position in question, to commence on the date following the scheduled expiration date of the previous term. At all times one of the nine members of the Commission shall be a member of City Council. Two of the members may be ex-officio, non-voting members selected from the Greater Morgantown Area as defined by the jurisdictional boundaries of the Morgantown, Monongalia Metropolitan Planning Organization. At all times, seven members of the Commission shall be residents of the City.
(Ord. 13-03. Passed 2-19-13.)

172.03 OFFICERS.

The Commission shall select from its own membership a chairperson, vice-chairperson, and secretary. (Ord. 10-10. Passed 3-2-10.)

172.04 MEETINGS.

The Commission shall meet on a monthly basis. Special meetings may be held as deemed necessary by the Chairperson. Such meetings shall be subject to the requirements of the West Virginia Open Governmental Proceedings Act. A quorum of members must be present before a meeting of the Commission can be held at which any official action of the Commission is to take place.

(Ord. 10-10. Passed 3-2-10.)

172.05 VOTING.

Every member of the Commission present, when a question is put, shall vote unless he/she is interested therein other than as a resident of the City. To be successful, an issue shall require five affirmative votes.

(Ord. 10-10. Passed 3-2-10.)

172.06 COMPENSATION AND REIMBURSEMENT FOR EXPENSES.

The members of the Commission shall receive no compensation for their services, but shall be entitled to reimbursement for reasonable and necessary expenses actually incurred in the performance of their duties as a Commission member, if said Commission member has received approval from the City's Finance Director to make such expenditure prior to incurring said expense.

(Ord. 10-10. Passed 3-2-10.)

172.07 APPROPRIATION OF FUNDS.

City Council may appropriate any funds that it deems necessary to carry out any of the proposals set forth by the Commission, so long as said proposal meets the purpose and intent of this article. (Ord. 10-10. Passed 3-2-10.)

172.08 PURPOSE, POWERS, AND DUTIES.

It shall be the duty of the Commission to advise and recommend to the City Manager and/or City Council means of creating or advancing inter-cultural, educational, social and economic exchanges between the City and the State of West Virginia with other cities with which the City of Morgantown has established not only sister cities formal relationships guided by the organization known as Sister Cities International, but also, informal friendship cities relationships formed under the guidance of the Commission.

(Ord. 11-18. Passed 5-17-11.)

AN ORDINANCE AMENDING THE "CONCEPTUAL GROWTH FRAMEWORK MAP" AND THE "LAND MANAGEMENT MAP" OF THE 2013 COMPREHENSIVE PLAN UPDATE, ADOPTED JUNE 18, 2013, BY MODIFYING THE BOUNDARIES OF THE "ENCOURAGED GROWTH" GENERAL CONCEPT AREA ADJACENT TO THE MORGANTOWN MUNICIPAL AIRPORT AS SHOWN ON THE EXHIBITS HERETO ATTACHED AND DECLARED TO BE A PART OF THIS ORDINANCE AS IF THE SAME WAS FULLY SET FORTH HEREIN.

WHEREAS, the City of Morgantown has made significant progress toward authorization, preliminary planning and environmental assessment, and material project delivery scheduling of the Morgantown Municipal Airport runway extension project;

WHEREAS, preliminary runway extension project planning has identified the potential increase in the amount of developable acreage around the Airport given significant landscape changes anticipated from extending the runway;

WHEREAS, additional developable acreage around the Airport was not identified until after June 18, 2013 adoption of the 2013 Comprehensive Plan Update and accordingly not reflected in its "Conceptual Growth Framework Map" and "Land Management Map";

WHEREAS, West Virginia State Code Chapter 8A, Article 3, Section 11 establishes procedures to amend a comprehensive plan after adoption; and,

WHEREAS, the Morgantown Planning Commission has, after conducting a public hearing, duly recommended revisions to the "Conceptual Growth Framework Map" and the "Land Management Map" of the 2013 Comprehensive Plan by modifying the "Encouraged Growth" general concept area to include additional acreage around the Airport.

NOW, THEREFORE, the City of Morgantown hereby ordains that the "Conceptual Growth Framework Map" and the "Land Management Map" of the 2013 Comprehensive Plan are amended as described herein and illustrated on the exhibits hereto attached and declared to be a part of this Ordinance to be read herewith as if the same were fully set forth herein.

This ordinance shall be effective upon date of adoption.

FIRST READING:

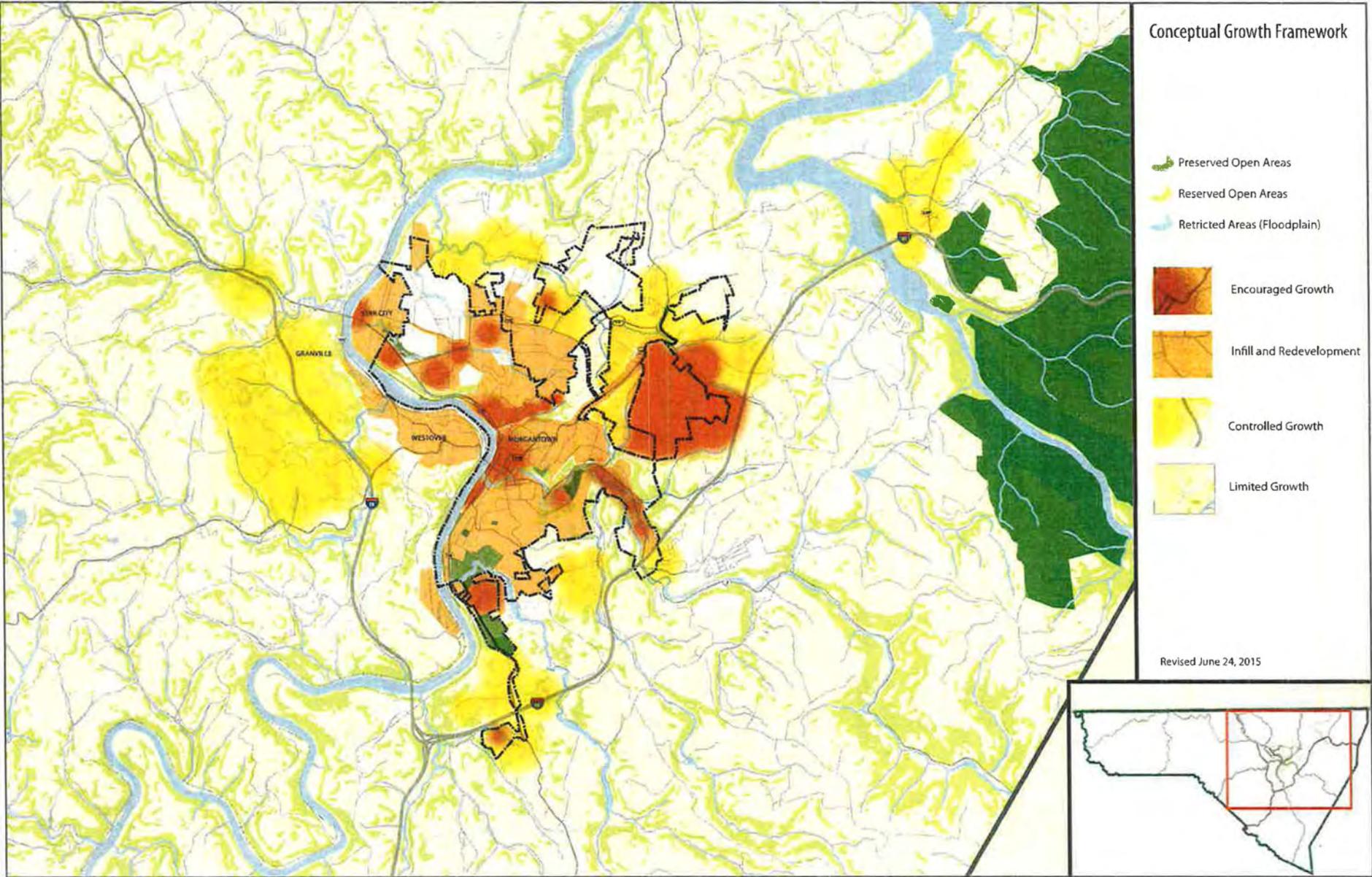
Mayor

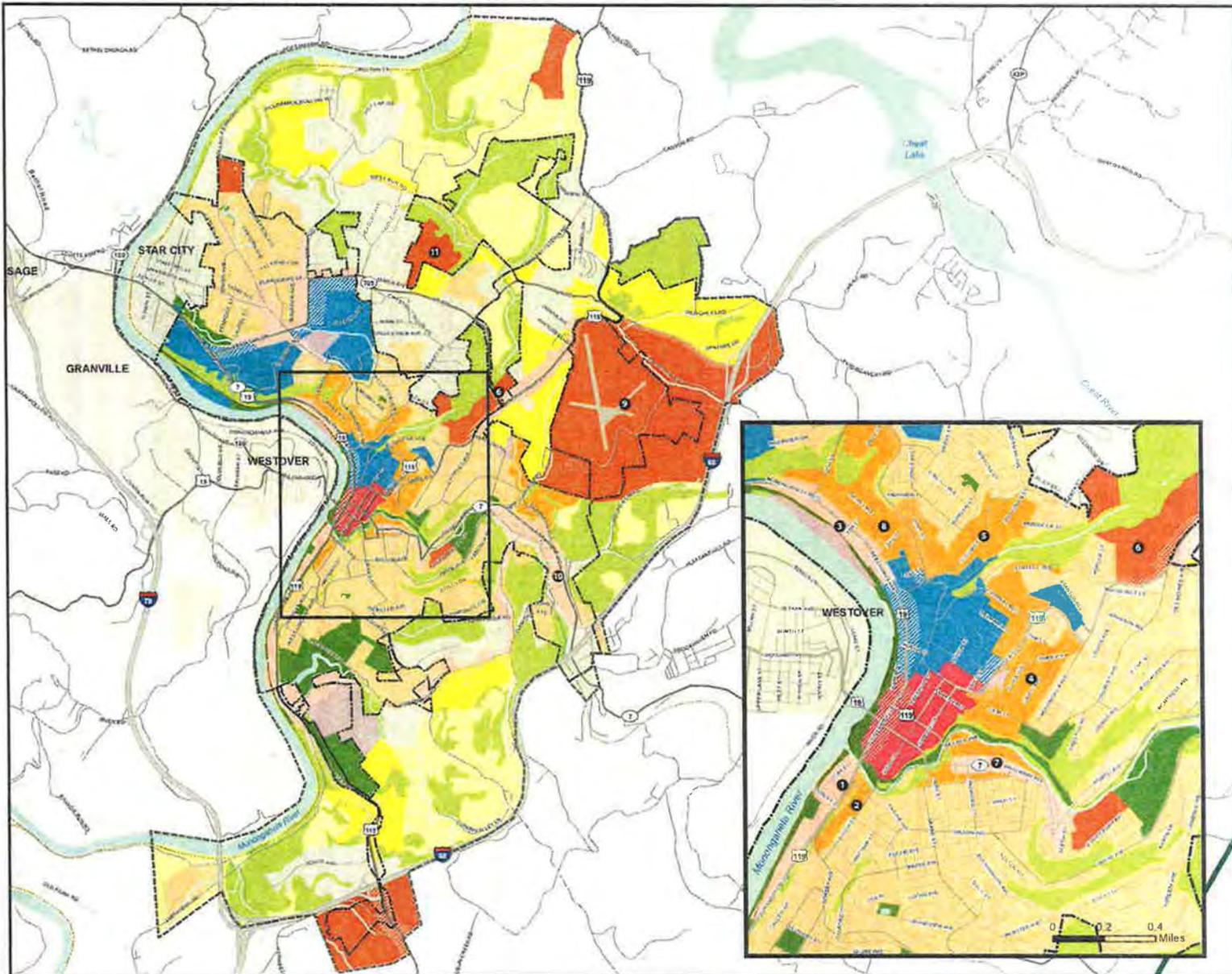
ADOPTED:

FILED:

RECORDED:

City Clerk





**MAP 4
LAND MANAGEMENT**

- Preserve
- Reserve
- Limited Growth
- Neighborhood Conservation
- Downtown Enhancement
- Corridor Enhancement
- WVU Campus Development
- Neighborhood Revitalization
- Infill and Redevelopment
- Encouraged Growth
- Controlled Growth/Traditional Neighborhood Area
- Developed Areas
- Roads
- Water Bodies
- Morgantown Boundary
- Study Area

Areas of Opportunity

- ① Waterfront / Wharf District
- ② South High Street and University Avenue
- ③ Beechurst Avenue Corridor
- ④ North Willey Street / Richwood Avenue Area
- ⑤ Stewart Street Area
- ⑥ 705 University Farms Area
- ⑦ Brockway Avenue Corridor (Route 7)
- ⑧ Sunnyside
- ⑨ Airport Technology Park
- ⑩ Sabraton, Earl L. Core Rd.
- ⑪ University Research Park

0 0.5 1 Miles

Revised 6/24/2015

ORDINANCE NO. _____

AN ORDINANCE TO PROVIDE THE ZONING CLASSIFICATION FOR 26.65 ACRES, MORE OR LESS, OF ADDITIONAL TERRITORY THAT WAS ANNEXED INTO THE CITY OF MORGANTOWN BY ORDINANCE 15-67 BY AMENDING ARTICLE 1331 OF THE PLANNING AND ZONING CODE OF THE CITY OF MORGANTOWN AS SHOWN ON THE EXHIBIT HERETO ATTACHED AND DECLARED TO BE A PART OF THIS ORDINANCE AS IF THE SAME WAS FULLY SET FORTH HEREIN.

THE CITY OF MORGANTOWN HEREBY ORDAINS:

1. That the zoning classification of the 26.65 acres, more or less, of additional territory, which includes Parcels 19.4, 19.5, and 19.7, Tax Map 7, Morgan District, that was annexed into the City of Morgantown by Ordinance 15-67 be designated as I-1, Industrial District as described herein and illustrated on the exhibit hereto attached and declared to be a part of this Ordinance to be read herewith as if the same was fully set forth herein.
2. That the Official Zoning Map be accordingly changed to show said zoning classification.

This Ordinance shall be effective from the date of adoption.

FIRST READING:

Mayor

ADOPTED:

FILED:

RECORDED:

City Clerk

EXHIBIT – Annexation Territory

The territory to be annexed by this Petition is the following tract or parcel of real estate, situate, lying and being in Morgan District, Monongalia County, West Virginia, more particularly bounded and described as follows, to-wit:

Parcel One – 2.93 Acres:

BEGINNING at an iron rod an original corner between land now or formerly of Kramer Turner and Millard Mayhew, and in a line of land now or formerly of Darrell J. Hoskins, thence with original Turner line, N. 6° W. 300 feet to an iron rod; thence leaving original line, N. 68° 10' E. 386 feet to a point in a private road (iron rod set 25 feet west of corner); thence with center of said private road, S. 24° 15' E. 300 feet to a point in said road (iron rod set 30 feet west of corner); thence leaving said road, S. 69° 30' W. 480.61 feet to the beginning, containing 2.93 acres, being the same, more or less, as more fully shown on a plat dated March 11, 1976, prepared by Paul W. Guseman, LLS, a copy of which is recorded in the office of the Clerk of the County Commission of Monongalia County, West Virginia, in Deed Book 772, at page 418.

And being the same property conveyed as “Parcel One: 2.93 acres” in a deed from East Park, LLC to Airpark, LLC of record in the office of the Clerk of the County Commission of Monongalia County, West Virginia, in Deed Book 1377, page 298.

Parcel Two – 10.16 Acres:

BEGINNING at a point on the Eastern side of the road, at a post in the fence line; thence S. 69° 43' W. 404.70 feet to an iron pin; thence along the dividing line with the City of Morgantown, N. 4° 38' W. 1162.26 feet to a point; thence S. 79° 38' E. 471.96 feet, along the dividing line with the City of Morgantown, to a point; thence S. 0° 34' E. 933.29 feet to the point and place of beginning, as more fully set forth on a plat of said property hereby conveyed, which plat is recorded in the office of the Clerk of the County Commission of Monongalia County, West Virginia, in Deed Book 806, at page 98.

And being the same property conveyed as “Parcel Two: 10.16” acres in a deed from East Park, LLC to Airpark, LLC of record in the office of the Clerk of the County Commission of Monongalia County, West Virginia, in Deed Book 1377, page 298.

Parcel Three – 13.56 Acres:

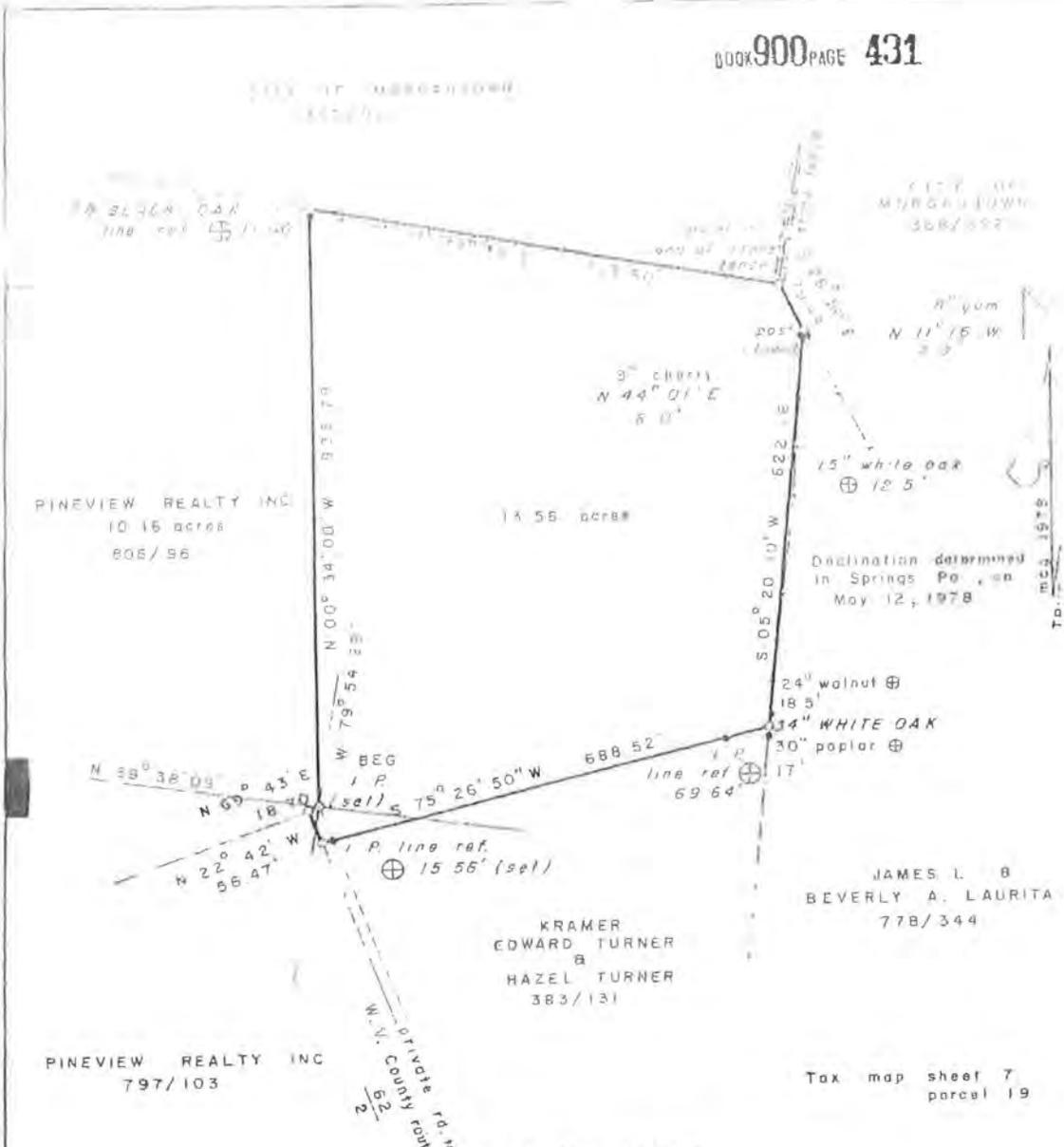
BEGINNING at an iron pin on the east side of a private road leading approximately 1/3 mile to West Virginia County Route No. 62/2, said iron pin being the point of beginning from deed from Kramer Edward Turner and Hazel Turner, his wife, to Pineview Realty, Inc., dated May 22, 1978, recorded in the office of the Clerk of the County Court of Monongalia County, West Virginia, in

Deed Book No. 806, at page 96; thence along the dividing line with said tract and residue of Hazel Turner, N. 0° 34' W. 933.29 feet to a point from which a 38 inch black oak bears S. 0° 34' E. 11.00 feet; thence along the dividing line with the City of Morgantown, DBV 365/92, S. 79° 38' E. 713.60 feet to a point at the end of a stone fence; thence along the dividing line with the City of Morgantown, DBV 368/392, S. 26° 50' E. 79.49 feet to a corner fence post; thence along the dividing line with James L. and Beverly A. Laurita DBV 778/344, S. 5° 20' 10" W. 622.16 feet to a 34 inch white oak; thence through land of Hazel Turner, passing an iron pin line reference at 69.64 feet and other iron pin line reference at 672.96 feet and the centerline of aforesaid private road at 682.96 feet, a total of S. 75° 26' 50" W. 688.52 feet to a point in the west side of road; thence along the div[id]ing line with Pineview Realty, Inc. DBV 797/103, N. 22° 42' W. 56.47 feet to a point in line of Pineview Realty, Inc. DBV 806/96; thence re-crossing road and along the div[id]ing line with said Pineview Realty, Inc., N. 69° 43' E. 18.70 feet to the place of beginning, containing 13.56 acres, more or less, as shown on a plat of survey prepared by Blaine E. Miller, LLS, recorded in Deed Book 900, at page 431.

And being the same property conveyed as "Parcel Three 13.56 acres" in a deed from East Park, LLC to Airpark, LLC of record in the office of the Clerk of the County Commission of Monongalia County, West Virginia, in Deed Book 1377, page 298.

All of which real estate being the same as conveyed to East Park, LLC, a West Virginia limited liability company, from The Allegheny Development Corporation, Inc., a West Virginia corporation, by deed dated April 11, 2007, and recorded in Deed Book 1338, at page 545.

Exhibit – Annexation Map



PLAN OF PROPERTY

LOCATION — MORGAN DISTRICT, MONONGALIA CO WEST VIRGINIA

CONTAINING — 13.56 acres

TITLE — KRAMER EDWARD TURNER & HAZEL TURNER to
PINEVIEW REALTY INC

DATE — sur. 09/01/83 B E M SCALE — 1" = 200'
dwg 03/02/84 M J M

BLAINE E MILLER, SURVEYOR

SPRINGS, PA 15562



Tax map sheet 7
parcel 19

PINEVIEW REALTY INC
10.16 acres
806/96

13.56 acres

Declination determined
in Springs Pa., on
May 12, 1978

JAMES L. B
BEVERLY A. LAURITA
778/344

KRAMER
EDWARD TURNER
&
HAZEL TURNER
383/131

PINEVIEW REALTY INC
797/103

CITY OF
MORGAN TOWN
308/352

8" gum
N 11° 15' W
23'

15" white oak
⊕ 12.5'

24" walnut ⊕
18.5'
14" WHITE OAK
30" poplar ⊕
17'

N 38° 38' 09" E
N 69° 18' 43" E
W 22° 42' 56" AT
W 79° 54' 23" E
W 75° 26' 50" W
W 1 P. line ref.
⊕ 15.56' (set)

3" cherry
N 44° 01' E
8.0'

N 00° 34' 00" W 832.70

S 05° 20' 10" W 632.20

688.52
line ref.
69.64

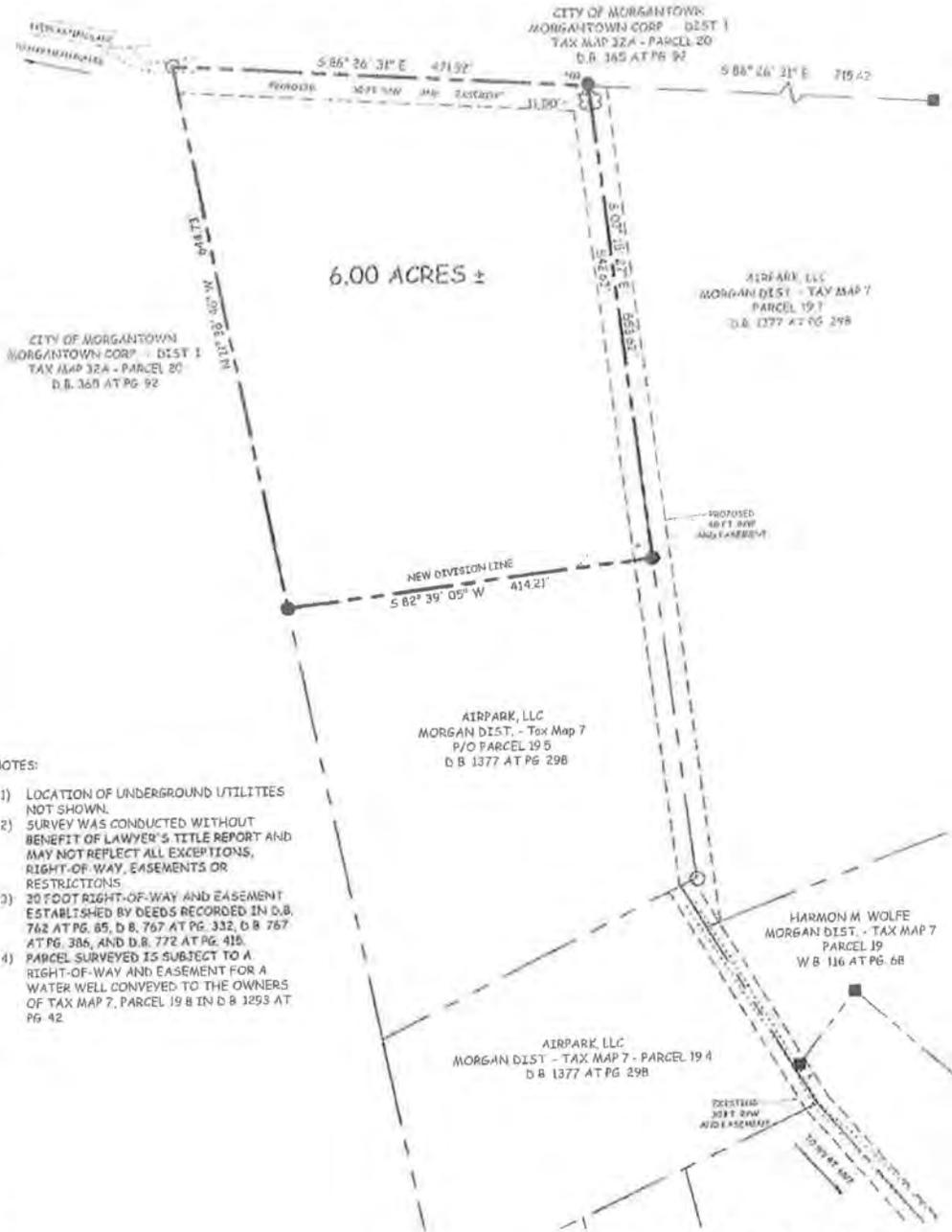
W.V. Cuddy Road
14.10
2/5

LEGEND

- PROPERTY LINE
- ADJACENT PROPERTY LINE
- RIGHT OF WAY
- POINT OF ROAD
- APPROX. DIRT ROAD
- REFERENCE LINE
- 1/2" REBAR (FIND)
- 3/4" REBAR W/CAF (FIND)
- TREE - 65" BLACK OAK
- POINT
- FENCE POST (FIND)

Exhibit A

Being a part of the same real estate as conveyed to Airpark, LLC, from East Park, LLC, by deed dated the 3rd day of December, 2008, of record in the Office of the Clerk of the County Commission of Monongalia County, West Virginia, in Deed Book 1377, at Page 298



- NOTES:**
- 1) LOCATION OF UNDERGROUND UTILITIES NOT SHOWN.
 - 2) SURVEY WAS CONDUCTED WITHOUT BENEFIT OF LAWYER'S TITLE REPORT AND MAY NOT REFLECT ALL EXCEPTIONS, RIGHT-OF-WAY, EASEMENTS OR RESTRICTIONS.
 - 3) 20 FOOT RIGHT-OF-WAY AND EASEMENT ESTABLISHED BY DEEDS RECORDED IN D.B. 762 AT PG. 85, D.B. 767 AT PG. 332, D.B. 767 AT PG. 386, AND D.B. 772 AT PG. 418.
 - 4) PARCEL SURVEYED IS SUBJECT TO A RIGHT-OF-WAY AND EASEMENT FOR A WATER WELL CONVEYED TO THE OWNERS OF TAX MAP 7, PARCEL 19 B IN D.B. 1293 AT PG. 42.

**PLAT OF SURVEY
MADE FOR
AIRPARK, LLC**

6.00 ACRES±
MORGAN DISTRICT - MONONGALIA CO.
TAX MAP 7 P/O PARCEL 19.5
MORGANTOWN, WV

PATRICK E. GALLAGHER, P.S. 1352
PREPARED BY:

CTL ENGINEERING OF WEST VIRGINIA, INC.
 805 Chapman Road, Morgantown, WV 26505
 306 E. STREET, Morgantown, WV 26505
 Phone: 304/291-1192 Fax: 304/291-1192
 E-mail: info@ctl.com Web: www.ctl.com

DATE: AUGUST 27 2015 SCALE: 1" = 150'
 DRAWN BY: JEF APPROVED BY: JBC
 JOB #: 1510065MOR
 DWG NAME: AIRPARK PROPERTY

AN ORDINANCE AMENDING ARTICLE 1329.02 "DEFINITIONS" OF THE PLANNING AND ZONING CODE AS IT RELATES TO SHOPPING CENTERS.

The Morgantown City Council hereby ordains that Article 1329.02 "Definitions" of the City's Planning and Zoning Code is amended as follows (deleted matter struck through; new matter underlined):

SHOPPING CENTER – A group of retail and other commercial establishments, within one (1) or more buildings, that is planned, owned, and managed as a single property.

SHOPPING CENTER, LARGE-SCALE – ~~A group of buildings~~ One (1) or a group of buildings with a total gross floor area larger than 30,000 square feet ~~of gross floor area~~ engaged in the sale or rental of goods for consumer or household use. This type of shopping center may or may not contain hypermarkets.

SHOPPING CENTER, MEDIUM-SCALE – ~~A group of buildings~~ One (1) or a group of buildings with a total gross floor area of more than 10,000 square feet and not greater than 30,000 square feet ~~of gross floor area~~ engaged in the sale or rental of goods for consumer or household use; excluding, however, animal sales or service; building materials and/or supplies, sales, or rental; and food sales or markets.

SHOPPING CENTER, SMALL-SCALE – ~~A group of buildings~~ One (1) or a group of buildings with a total gross floor area of 10,000 square feet or ~~fewer of gross floor area~~ less engaged in the sale or rental of goods for consumer or household use; excluding, however, animal sales or service; building materials and/or supplies, sales or rental; and food sales or markets.

This ordinance shall be effective upon date of adoption.

FIRST READING:

Mayor

ADOPTED:

FILED:

RECORDED:

City Clerk

**AN ORDINANCE AUTHORIZING THE SALE OF REAL ESTATE AT STAR CITY
TAX MAP 1, PARCEL 12.1**

The City of Morgantown hereby ordains:

That the City Manager is hereby authorized to execute, on behalf of the City of Morgantown, the Quitclaim Deed attached to, and made a part of, this ordinance, together with any other documents necessary to accomplish the transfer of the property as provided in the Quitclaim Deed.

This Ordinance shall be effective from the date of its adoption.

First Reading:

Adopted:

Mayor

Filed:

Recorded:

City Clerk

QUITCLAIM DEED

This DEED is made this ____ day of _____, 2016, by and between the CITY OF MORGANTOWN, a municipal corporation and political subdivision of the State of West Virginia, as Grantor, and the RIFFLE CONTRACTING, LLC, a West Virginia limited liability company, Grantee.

WITNESSETH: That for and in consideration of the sum of ten dollars (\$10.00), cash in hand paid, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the said Grantor, CITY OF MORGANTOWN, does hereby grant, convey, release, remise, and forever quitclaim unto the said Grantee, RIFFLE CONTRACTING, LLC, all of its right, title, and interest in and to the following tract or parcel of real estate, situate in the Town of Star City, Monongalia County, West Virginia, and more particularly described as follows:

Lots 9 and 10 of Block 16 as laid down and designated on the plat of Randall (now Star City) recorded in the Office of the Clerk of the County Court (now Commission) of Monongalia County, West Virginia in Deed Book number 80 at page 1.

And being a portion of the Fourth Parcel conveyed to the City of Morgantown by Seneca Glass Company in a Deed dated April 7, 1965 and recorded in the Office of the Clerk of the County Commission of Monongalia County, West Virginia in Deed Book number 633 at page 509.

This conveyance is made subject to all exceptions, reservations, easements, restrictions, rights-of-way, covenants, and conditions as contained in prior instruments of record.

The above-described real estate is entered upon the Land Books of Monongalia County for the year 2014 in Star City Corporation as follows:

City of Morgantown
Map 1, Parcel 12.1

DECLARATION OF CONSIDERATION OR VALUE:

In accordance with the provisions of Article 22 of Chapter 11 of the West Virginia Code, GRANTOR declares that the transfer made and effected by this DEED is exempt from the applicable excise taxes on the basis that the City is a political subdivision of the State of West Virginia.

WITNESS the following signature and seal:

THE CITY OF MORGANTOWN
a municipal corporation and political
subdivision of the State of West Virginia

By: _____
Jeff Mikorski

Its: City Manager

STATE OF WEST VIRGINIA
COUNTY OF MONONGALIA, to wit:

I, _____, a Notary Public in and for the County and State aforesaid do certify that _____, who signed the foregoing writing bearing date the ____ day of _____ 2016, for THE CITY OF MORGANTOWN, a municipal corporation and political subdivision of the State of West Virginia, has this day in my said County before me acknowledged the said writing to be the act and deed of said corporation.

Given under my hand and notarial seal this ____ day of _____ 2016.

{seal}

My commission expires: _____

Notary Public

Prepared by: Ryan P. Simonton (WVSB #11152), City of Morgantown, 389 Spruce Street,
Morgantown, WV 26505.

DRAFT

MEMORANDUM

TO: City Council
Jeff Mikorski, City Manager

FROM: Timothy L. Ball, General Manager, MUB

DATE: December 28, 2015

SUBJECT: **PRESENTATION TO COUNCIL**
January 5, 2016

This will serve as a read ahead to help you prepare for the first reading of the four bond ordinances during January 5 Council meeting. As you know, the debt authorized by these ordinances will fund two critical water and sewer infrastructure projects necessary to support the health and growth of our community.

A separate and related Authorizing Ordinance will be necessary, but may follow the schedule of the Rate Ordinances, and be introduced on January 19. The authorizing ordinance explicitly expresses your formal approval of the projects. Arguably, that approval is implicit in the bond ordinances, but the DEP's bond counsel insists on an explicit ordinance.

Please recall that I appeared before the Committee of the Whole on September 29 and November 24 to discuss improvement projects proposed by MUB for the water and sewer systems. The appearance on Nov 24 included a detailed public presentation, a summary of the feedback received from two months of public meetings, a public Q&A session, and submission of draft bond and rate ordinances. While many details of these projects continue to be refined, the objectives and general plans remain unchanged from these earlier discussions.

Since then, we have also conducted a special meeting of the MUB Board, for a guided tour and walk through of the proposed dam site and nearby portions of the proposed pipeline route. That meeting was well attended with about 15 members of the public (including many residents of the Cobun Creek valley), MUB's Chairman and two other Directors, 6 MUB staff persons, and a City Council member. That group spent over two hours walking the site and discussing the project.

Please recall that our objectives are to secure a reliable and robust secondary water supply and to meet regulatory and operational needs at our main wastewater plant. The resulting project plans include a new raw water reservoir and other water improvements totaling \$31.5 million, and an expansion and upgrade of the Wastewater Treatment Plant (at Star City) and other sewer improvements totaling \$90 million. The total proposed new investment in our water infrastructure is \$121.5 million.

The proposed improvements will require adjustments to the existing utility rates as follows:

Water: 33%

Sewer: 87.5%

Combined: 62.8% (example based on average residential use of 4,000 gal/month)

We do not take lightly the fact that water and sewer rates will need to be adjusted to fund these critical community projects, and we are constantly focused upon our strategic mission of protecting public health and safety at the lowest possible cost. That's why the outreach efforts have been so important.

Through the public outreach, we have:

- Described details of what is proposed
- Explained why it is needed
- Described scope and costs of alternatives considered and selected
- Conducted Q&A
- Solicited and received public comment

The outreach has included presentations and discussion at public meetings, as follows:

Sept 29	City Council Committee of Whole to announce and describe the campaign
Oct 22	Public meeting– presentation sponsored by MUB
Oct 29	Public meeting– presentation sponsored by Morgantown Green Team
Nov 2	Public meeting– presentation sponsored by MUB
Nov 9	Public meeting– presentation sponsored by Neighborhood Coordinating Council
Nov 10	Public presentation at MUB Board meeting
Nov 24	Public presentation at City Council Committee of Whole
Dec 8	Special Meeting and onsite walk at proposed reservoir

We have supplemented this meeting schedule with media interviews, a talk radio appearance, press releases, a meeting with the Dominion Post editorial board, and other appropriate outreach activities. By doing so, we have demonstrated total transparency, and have to the greatest extent possible, worked to ensure that the public is fully educated and informed about the proposed projects.

A summary of the comments that have been received is attached for your review.

You will note that there is broad support for these projects. The only concerns expressed are regarding local impacts of the reservoir project, voiced by several neighbors of our proposed reservoir property. One resident of the city also spoke in support of the Cobun Creek neighbors, stating she understands the need for the new reservoir but wants to ensure the impacts on those living in the Cobun Creek valley are negligible.

We have responded directly to these concerns; we have assured the residents of our dedication to their safety and convenience, and that we will continue to provide appropriate attention to the issues they have identified.

We suspect that two particular concerns will be expressed as you consider our requests:

First, certain downstream property owners may question the need for the raw water pipeline. The proposed raw water pipeline is important for several reasons:

- The pipeline will protect and preserve water quality, which would be at greater risk of contamination in the stream.
- The pipeline will protect and preserve water quantity, which would be at greater risk of loss in the stream.
- The pipeline, by virtue of the related permanent right of way which will be required for its route, will better ensure MUB's access to and utilization of the water, as compared to the stream and the various properties through which it meanders.

- The pipeline will better protect and preserve the stream from erosion and related sediment contamination, which might otherwise be exacerbated by MUB's releases from the reservoir to the stream.
- The pipeline (which will normally remain filled) will provide immediate, on demand delivery of water to the plant, versus varying conveyance time being required for water released from the reservoir if conveyed via the stream.

Because the proposed raw water pipeline makes the secondary water supply more reliable and responsive to the needs of our ratepayers, and best protects the water environment, it is clearly worth the investment. The main opposition to it derives from a desire by certain property owners to avoid the temporary inconvenience of its construction.

Second, others may seek to ensure recreational opportunities at the proposed reservoir. Some of the Cobun Creek property owners prefer that public recreation not be pursued there. Please recall that, although MUB may not spend ratepayer money on recreation, it is not opposed to such opportunities and is willing to delegate that function to BOPARC. MUB is even willing to pursue planning and design with BOPARC so that opportunities can be identified where reservoir features might be built in such a way as to benefit BOPARC without adding to MUB's project cost. An example might be to conduct site excavation in a way that a parking area is cleared and leveled in preparation for BOPARC's completion. Lack of funding available to BOPARC to complete or operate and maintain recreation facilities may frustrate achievement of such goals.

Pursuit of the recreational opportunities, as described above, may be worthwhile. But uncertainties about them should not impact the approval of the reservoir project. Most recreational aspects can be addressed at any point in time, even following construction of the reservoir. But the reservoir is urgently needed today, regardless of what is ever decided about recreation there.

We respectfully propose the following schedule for the Ordinances:

First Reading Bond Ordinances: January 5

Second Reading Bond Ordinances: January 19

First Reading Rate Ordinances and Authorizing Ordinance: January 19

Third Reading & Public Hearing Bond Ordinances: February 2

Second Reading & Public Hearing Rate Ord's and Authorizing Ordinance: February 2

Because the Bond Ordinances require 3 public readings, we suggest that their schedule begin one Council meeting earlier than the Rate Ordinances and the Authorizing Ordinance. Doing so will synchronize their public hearings and final votes.

We appreciate the opportunity to provide this information. I look forward to the Council meeting, and always welcome your questions in support of your deliberations regarding these important decisions.

Input received during public meetings and responses

Who 'owns' MUB?

As the state's largest publicly owned utility, MUB is essentially owned by the people of Morgantown. MUB is governed by a five member board of directors that is appointed by Morgantown City Council. The City possesses municipal oversight of MUB and retains authority to set rates and issue public debt via the ordinance process.

How much water does MUB treat a day?

On average, we treat and distribute 11 million gallons of water a day.

How much sewage does MUB treat a day?

On average, we treat and distribute 11 million gallons of sewage a day. However, this amount can increase substantially during period of rainfall.

What areas does MUB serve?

We serve more than 25,000 customer directly. Indirectly, through various public service districts, we provide service to most of the 100,000-plus residents of Monongalia County.

Where does our water come from?

On average, 85% of Morgantown's water comes from the Monongahela River while an additional 15% comes from the Cobun Creek Reservoir.

What is MUB currently doing to protect our drinking water?

We have been engaged in a host of activities. This includes everything from regular testing, monitoring of the MIP gas wells (LINK), and a very active and comprehensive source water protection program. In the near future, we'll be making public various components of the source water protection program.

You may also recall that during the last few years we upgraded our water treatment plant. We incorporated a world-class membrane filtration system, installed more efficient pumps, increased the plant's capacity to meet future growth needs, and designed the plant for easy future upgrades.

What is the size of Morgantown's watershed?

Our watershed is 1.6 million acres spread across 11 West Virginia counties.

What are the threats to Morgantown's water resources?

Morgantown Utility Board, along with its partner Downstream Strategies, has mapped more than 16,000 Potential Significant Contaminant Sources (PSCs) in our watershed. You can view this map along with a host of related information by visiting mub.org/BeTheSolution and following the links.

All of these PSCs are included in a Threat Matrix which scores each according to toxicity of what's stored, amount of chemicals stored, proximity to our water treatment plant, the time it will take for a spill to reach our water treatment plant, and more.

It's important to understand that our watershed includes two zones. The first, the Zone of Critical Concern (ZCC), is the area in which a substance will reach our water treatment plant in five hours or less. Our ZCC is 12,500 acres in size.

The other component of our watershed is defined as the Zone of Peripheral Concern (ZPC). This is comprised of an area in which a substance will reach our water treatment plant in five to ten hours. This is roughly 13,400 acres.

Also, the reliability of the electrical grid itself has decreased. Power outages to our water treatment plant are increasing in frequency, a trend that is likely to continue.

In the event of a longer term power outage (whether man-made or natural disaster) our present plan involves importing large generators from the Pittsburgh area. This presents a variety of practical issues that make it a questionable alternative. This is a real challenge that must be addressed.

A final issue facing our raw water resources has to do with the capacity of our Star City wastewater treatment plant. This plant, built in the 1960s with upgrades in the 1980s and 1990s, contains a variety of dated treatment processes and unserviceable equipment.

What's more, the plant treats an average of 11 million gallons per day. This means the plant runs uncomfortably close to its operational capacity of 12 million gallons per day. And given the growth of the Morgantown area, the plant's capacity will be eclipsed in the near future.

However, one of the greatest challenges facing our community is the tightening of federal regulations regarding Combined Sewer Overflows (CSOs). These are antiquated systems where stormwater runoff is combined with raw sewage flows during periods of significant rainfall. Local CSOs are located along the Monongahela River and other streams, with a significant number being located along Deckers Creek.

The best solution would be to completely replace the CSO system. Unfortunately, with a price tag easily exceeding \$300,000,000, this is not a practical solution. Therefore, our goal is to decrease CSO activation by increasing the capacity of our current wastewater treatment plant.

Part of the wastewater treatment system is the Poponoe Run Interceptor. This is a box culvert that runs from Krepps Park to behind where the now closed Shoney's and Econolodge are located along University Avenue. This box culvert was constructed during the Franklin Roosevelt era and is in extremely poor condition. The system requires frequent unplanned maintenance and our staff is required to walk the length of it during every rainfall. The system has simply reached its useful life and requires replacement.

Exactly what improvements is MUB proposing in relation to current rate adjustments?

Our planning is extremely diverse and provides a number of solutions. Below is a list of the solutions included in the proposed improvements:

Construct a new water reservoir farther up Cobun Creek from the existing reservoir.

While we are fortunate to have a secondary raw water source in the current Cobun Creek Reservoir, the capacity of the reservoir can provide only three days of water if used exclusively. This means, if a water contamination event occurs lasting for more than three days, we would be unable to meet the water needs of area residents. When you consider that the event in Charleston, WV lasted more than a month, the need for an expanded raw water source is critical.

Keep in mind that the current reservoir was constructed in the 1950s. At that time, it contained sufficient capacity to meet the water needs of Morgantown for about 19 days if used exclusively. However, over the past 65 years the capacity of the reservoir has been reduced via normal sedimentation. This, along with the dramatic increase in population, underscores the need for a new reservoir.

By constructing this reservoir we can increase available raw water storage to more than 30 days. This is sufficient to meet both the current emergency needs and the projected needs of the area for the next 30 years.

Capacity of current reservoir: 38 million gallons
Capacity of new reservoir: 370 million gallons

Install Generator

Installing an independent power source is integral to protecting our water system and public health. In fact, we view the generator as being as essential as the new reservoir.

Poponoe Run Interceptor

Our plan is to replace the interceptor with a new, larger buried one.

Upgrade the Star City Wastewater Treatment Plant

The goal is to increase the capacity of the wastewater treatment plant from 12 million gallons per day to 20.8 million gallons per day. This will not only provide Morgantown with room to grow but greatly reduce CSO activation.

The upgrades will make the plant more efficient, include new odor containment, and include state-of-the-art treatment processes that will permit easy upgrades in the future.

What's the timespan you've designed these proposed systems for?

We expect the systems to be functional over the course of the next 25 to 30 years.

Will MUB be asking for additional rate increases if this one is approved?

We honestly cannot say because we cannot predict what future federal regulatory criteria will be imposed upon us. Our best guess is that any changes in the regulatory system is at least five to ten years out or more. Of course, occasional future increases may be necessary to offset the effects of inflation on operational and maintenance costs.

Can't the capacity of the current reservoir simply be increased without building a new one?

Unfortunately, it cannot. When we evaluated the feasibility of increasing the capacity of the current reservoir, two things became apparent. The first is that there simply isn't enough room to create the kind of volume to meet our area's emergency needs. Second, enlarging the reservoirs banks and dredging the bottom would cost more (on a per unit basis) than building the new reservoir. This is especially true given that we own the property on which most of the reservoir will sit was purchased by MUB's predecessor organization more than 60 years ago.

Will the new reservoir include public access for recreational use?

It's important to understand that our intent on constructing the reservoir is to better secure our area's public water supply. That's it.

Any recreational use of the reservoir would be managed by Morgantown Board of Parks and Recreation (BOPARC). We have spoken with BOPARC about this matter and they are evaluating the impact it would have on their resources. Again, we would not be involved in any recreational use of the reservoir.

However, if it is determined that public recreational use will be made available, we will insist on the follow: (1) No night time activities; (2) No use of motorized watercraft.

What type of dam will be built for the new reservoir and how high will it be?

We will construct an earthen dam about 70 feet high with a normal water depth of 48.5 feet..

Will the reservoir include fencing and lights?

No. The only exception will be the dam area. It will include lights and fencing for facility security and public safety.

What will be the environmental impact of the new reservoir?

We will limit the impact on wildlife by not installing fencing or lighting. While some wildlife will naturally be displaced by the reservoir, the slow process of filling it will provide ample opportunity for wildlife to relocate.

Are the roads sufficient to support the moving of heavy machinery into and out of the site?

There are a couple of things to understand about the construction phase as it concerns the moving of equipment and machinery. First, because we will be using earth from within the dam area, the amount of truck traffic on the road will be significantly reduced. Traffic will mostly be limited to moving equipment into and out of the construction area. Also, because we are using an earthen dam rather than a concrete dam, large amounts of concrete will not be required. This will tremendously reduce construction related traffic flow.

How might construction deteriorate the roads?

We will restore the roads to their current state and ensure the roads remain as useable as they are today.

Are area bridges sufficient to support heavy machinery?

MUB is currently coordinating with the West Virginia Department of Highways to confirm the applicable weight limits. During construction, MUB will closely manage the contractor to ensure that weight limits are obeyed. Any exceptional loads that cannot meet posted local bridge limits will be required to use a route avoiding those bridges. We have confirmed that such a route does exist.

Will Cobun Creek go dry during the filling of the reservoir?

No, we are required by law to ensure that we maintain a continuous stream flow.

Will the new reservoir increase the likelihood of flooding of Cobun Creek?

No, if anything it could alleviate the potential for flooding by holding back and slowly releasing water in smaller storms. The dam will provide no impact in reducing flow during larger storms.

Will the new reservoir increase the likelihood of Cobun Creek running dry?

Through managed releases, and as long as the reservoir has water stored within it, we can and will ensure continued stream flow, even during periods when Mother Nature would have allowed the stream to go dry.

Why install a pipeline? Why not just use the natural stream?

The proposed raw water pipeline is important for several reasons:

- The pipeline will protect and preserve water quality, which would be at greater risk of contamination in the stream.
- The pipeline will protect and preserve water quantity, which would be at greater risk of loss in the stream.
- The pipeline, by virtue of the related permanent right of way which will be required for its route, will better ensure MUB's access to and utilization of the water, as compared to the stream and the various properties through which it meanders.
- The pipeline will better protect and preserve the stream from erosion, which might otherwise be exacerbated by MUB's releases from the reservoir to the stream.
- The pipeline (which will normally remain filled) will provide immediate delivery of water to the plant (on demand), versus varying conveyance time being required for water released from the reservoir if conveyed via the stream.

How long will the pipeline need to be?

The pipeline will extend a little more than 3.8 miles from the reservoir to the water treatment plant.

As a property owner near the new reservoir, I am concerned about the impact on my property.

We will work with nearby property owners as much as possible to accomplish two things. The first is to minimize disruptions to your normal use of the property. Second, we will restore the property to the condition at which it was prior to construction. This includes everything from grass to fencing. While we cannot tell you that there will be no inconveniences- because there will be- we will do everything in our power to minimize issues.

What will happen during periods of flooding such as that seen in the 1980s? At least during that period the water had to field to pool in. Now, that field will be the reservoir.

The reservoir is not intended to serve as a flood control mechanism. However, in the event of mild flooding potential, we could do two things. The first is to fill the reservoir. The second is to move water through the pipeline to bypass the stream.

What if the dam breaks?

The dam is being built to current engineering specifications. A dam failure is highly unlikely. Our staff will constantly monitor the dam and if any issues are discovered, repairs will be made immediately and downstream properties will be notified.

Will the Star City wastewater treatment plant upgrades require the purchase of additional land?

No. We will construct the upgrades within the same footprint of the current system.

Why is MUB proposing these projects now, all of a sudden?

For us, this was not a sudden process. The planning for this literally goes back decades when we purchased the property on which the new reservoir is proposed to be built. The Wastewater Treatment Plant improvements are similarly part of our long-term control plan, first published in 2001. Below are examples of the build-up to the current proposals as well as some drivers:

Water Treatment Plant Upgrade

Upgrading the water treatment plant was critical for two reasons. First, it established the foundation for providing Morgantown with world-class treatment processes. Also, it established the capacity benchmark and timetable for upgrading our systems.

When we complete the next round of upgrades, Morgantown can say that it has world-class treatment systems at both ends of town. This is a tremendous benefit to the city and its residents.

Monongahela River Sewage Force Mains

During the upgrade of the water treatment plant, we installed a new, higher capacity pipeline that runs along the river from the water treatment plant to the Star City wastewater treatment plant. This saved considerable time and money, set the stage for today's proposals and recovered capacity that was previously consumed in the gravity interceptors that remain located nearby.

Freedom Industries Chemical Leak

The 2014 Freedom Industries chemical spill in Charleston certainly plays a role in this process. It set new standards for source water protection and what we need to do to truly protect public safety. This is especially true given the threats that exist within our watershed.

Rail and Roadway Threats

Every day, tens of thousands of pounds of hazardous materials are shipped along the river. Similarly, tens of thousands of pounds are shipped across our roadways and bridges. As we saw with the train derailment in Fayette County, WV in February 2015, these events can happen suddenly and at any location. What's more, because the contents of materials traveling by rail are often not disclosed, we must be prepared to move from our primary intake (the Monongahela River) to our secondary intake (Cobun Creek) for an extended period.

Manmade Threats

The world in which we live is much different than it was years ago. Today, we must incorporate as many common-sense approaches to water protection and emergency water response as possible. It would be irresponsible not to do so.

Natural Disasters

Given the growing unreliability of our power grid and the growing intensity of weather patterns, we must protect ourselves. This means positioning ourselves to operate as self-sufficiently for as long a duration as possible.

Lifespan Use

Many of these structures have simply reached the end of their functional life. The Poponoe Run Interceptor is a good example. So are the electrical and some mechanical processes at the Star City wastewater treatment plant. Parts are often no longer available and have to be fabricated or salvaged.

Federal Requirements

Federal requirements are constantly increasing. New environmental restrictions require that we conduct various upgrades and meet very specific thresholds. We either meet these requirements on our timetable and according to our priorities or we have them impose upon us by federal regulations. There is no alternative or negotiating these.

What is the impact on rates?

Because the proposed projects are rate supported, they will naturally require an upward adjustment in customer fees. Below is a look at current rates versus adjusted rates for a typical residential user (4,000 gallons a month)—

Water	Sewer	Total	
Current Rates:	\$15.48	\$18.64	\$34.12
Increase:	\$5.12	\$16.32	\$21.44
Percent	33%	87.5%	62.8%
New Rates:	\$20.60	\$34.96	\$55.56

Naturally, the impact of these rate adjustments will depend on water use. The below table provides an example of these impacts on various water use scenarios.

	1000 gal/mo		2000 gal/mo		3000 gal/mo		4000 gal/mo	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
Water 33%	\$3.87	\$5.15	\$7.74	\$10.30	\$11.61	\$15.45	\$15.48	\$20.60
Sewer 87.5%	\$4.66	\$8.74	\$9.32	\$17.48	\$13.98	\$26.22	\$18.64	\$34.96
Combined 62.8%	\$8.53	\$13.89	\$17.06	\$27.78	\$25.59	\$41.67	\$34.12	\$55.56
Increase		\$5.36		\$10.72		\$16.08		\$21.44

When will the rates take affect?

The new rates will begin July 1, 2016.

MUB claims it's a well-run organization yet we continue to see rate increase after rate increase.

We have the lowest rates in the state and we take great pride in our ability to deliver world-class water protection, water treatment, and wastewater services to the Morgantown area. Even after these increases, our rates are far less than nearly every other community on our state. What's more, when these upgrades are completed, Morgantown will have two world-class facilities while still maintaining some of the lowest rates in the state.

How does MUB maintain such low rates?

Foremost, we invest in our systems in a way that makes sense now and into the future. For example, we will buy a top-of-the-line pump that may initially cost more but it will last decades. Such decisions are critical. Second, we maintain a staff pf professional engineers. This also saves significant dollars since we

can do many things in-house. Third, our community continues to grow. And as it does per-customer costs become increasingly shared. This plays an important role in keeping costs low.

Why do I pay more (or less) than other MUB customers for services?

MUB employs cost-of service ratemaking. This means that we assign responsibility for costs arising from customer service demands to the customers making those demands. This is accomplished by assigning responsibility for every dollar spent on operations, maintenance and capital improvements to the customers served by that expenditure.

Our cost allocation accounting methods meet and exceed industry standards, are audited annually, and have been reviewed and approved by the Public Service Commission of West Virginia.

In the case of Cheat Lake sewer service, that enterprise is physically separate and distinct from the sewer system served by the Star City treatment plant. While the Cheat Lake customers enjoy some savings by sharing the cost of common management operations with customers served by the Star City plant, the cost of building and operating the Cheat Lake system is otherwise wholly and solely the responsibility of the customers using that service.

Conversely, the cost of the pending Star City plant upgrades, required by law and the necessary retirement of obsolete equipment, will be borne wholly by those customers enjoying service provided by that facility. In other words, the Cheat Lake sewer customers will have no rate increase or other responsibility for the Star City project.

Water rates are also based upon cost of service. If you live in an area served by a Public Service District (PSD), your water rates will likely be higher than those paid by MUB customers. This is because PSDs purchase water from MUB at our tariff rate and then resell the purchased water to their customers. The additional and separate costs of PSD operations, maintenance, capital improvements and business management are solely the responsibility of the PSD customers. PSD rates must meet the approval of the West Virginia Public Service Commission.

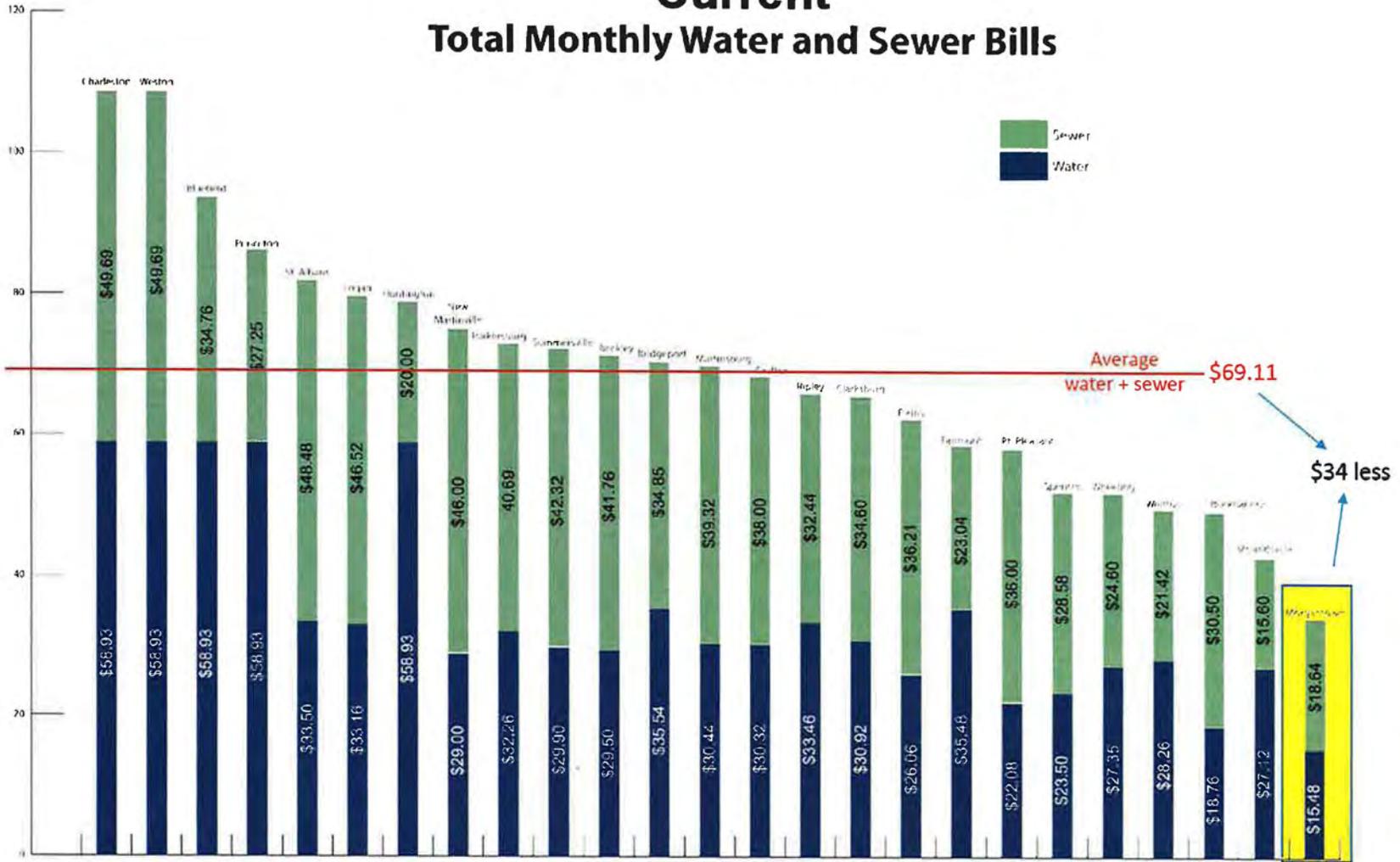
MUB prices are high because they are way overstaffed with engineers.

MUB's engineers are an important reason we are able to keep our rates so low. We save ratepayers considerable dollars every year because we are able to perform a lot of work "in-house" that would otherwise be contracted. Similarly, our engineers are a terrific resource to our customers. They are able to help diagnose issues and formulate solutions to a variety of problems.

As for rates, the diagrams provided below show that we are currently the lowest priced water and sewer utility in the state and will continue to be one of the lowest even if the proposed increases occur.

You'll note that even if the ordinances pass, our rates will still be \$13.55 below the average water and sewer bill in West Virginia and far below other major cities within the state. And unlike the rest, we will continue to have low rates with world-class water treatment and wastewater treatment facilities. We will also be positioned to meet the needs of our growing community for the next 25 to 30 years.

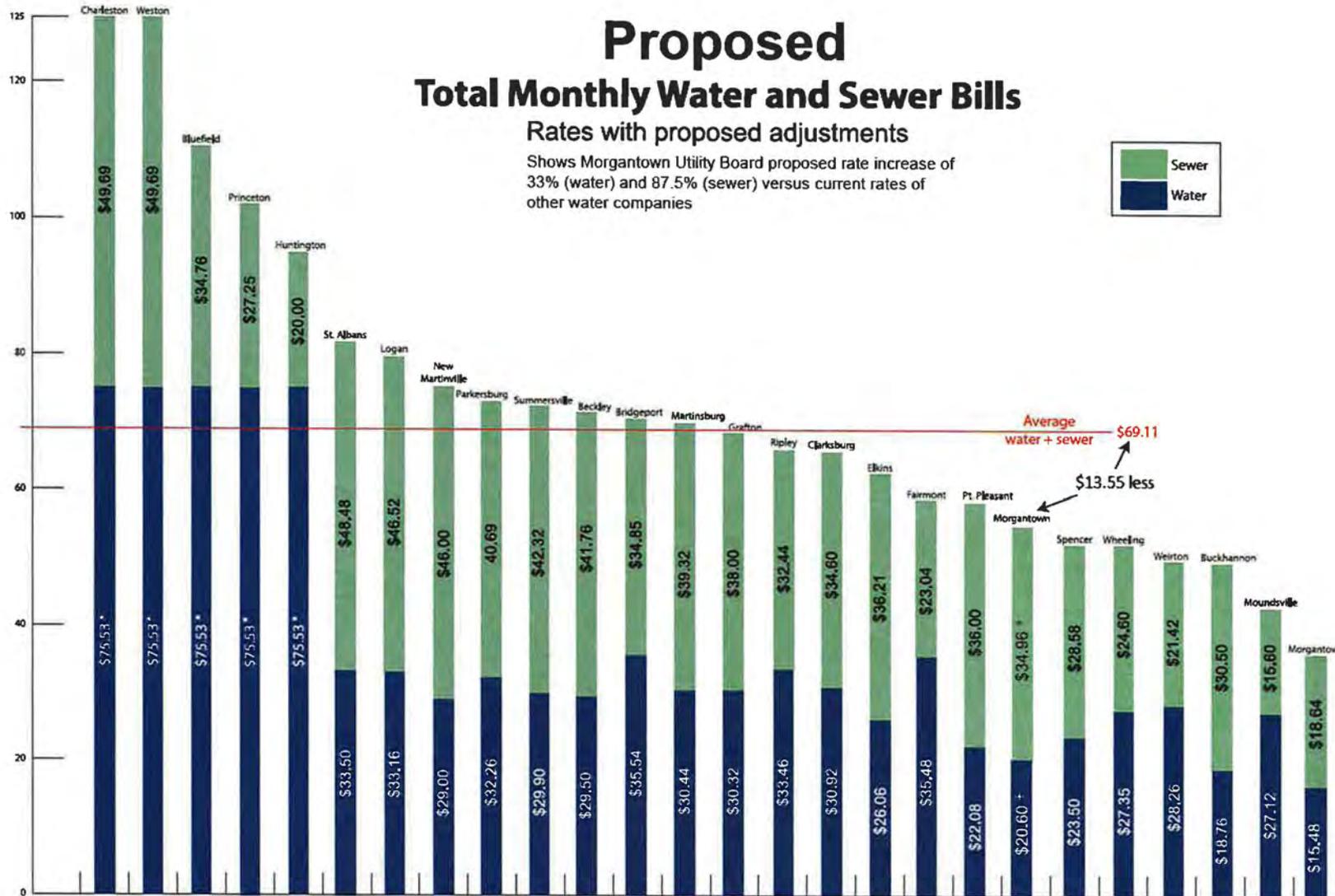
Current Total Monthly Water and Sewer Bills



Proposed Total Monthly Water and Sewer Bills

Rates with proposed adjustments

Shows Morgantown Utility Board proposed rate increase of 33% (water) and 87.5% (sewer) versus current rates of other water companies



Is this process being rushed along?

Not at all. We have held six public meetings across two months and continue to seek input. Additionally, the public will have the opportunity of providing input during the public readings of the related ordinances.

What is the best way to keep up on news of these projects?

The best source is to go to mub.org/BeTheSolution or follow us on Facebook or Twitter (@MUBWater).

If I have questions, who do I contact?

All questions or comments can be directed to our customer service representatives by calling 304.292.8443. You can also email questions or comments to mubmail@mub.org.

Sewage Treatment Plant Upgrade Project

THE CITY OF MORGANTOWN, WEST VIRGINIA

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SANITARY SEWER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$100,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A (TAX EXEMPT); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, The City of Morgantown (the "Issuer" or the "City") presently owns and operates, through The City of Morgantown Utility Board (the "Board"), a public combined waterworks, sewerage and stormwater system (collectively, the "System") and has heretofore financed the acquisition and construction of the System and certain additions, betterments and improvements thereto through the issuance of several series of bonds or refunding bonds, of which there are presently outstanding the Prior Bonds, as hereinafter defined.

WHEREAS, all of the Prior Bonds were issued pursuant to ordinances of the Issuer previously enacted (such ordinances, as so amended and supplemented, collectively herein called the "Prior Ordinances");

WHEREAS, under the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to acquire, construct and operate extensions, additions, betterments and improvements for the System;

WHEREAS, the Issuer has determined, and does hereby affirm, that the acquisition and construction of certain extensions, additions, betterments and improvements to the sanitary sewerage collection and treatment portion of the System (collectively, the "Sanitary Sewerage System"), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined that the aforementioned acquisition and construction of extensions, additions, betterments and improvements to the Sanitary Sewerage System (further defined herein as the "Sewer Treatment Plant Project") should be financed, as provided under the Act, in whole or in part, from the proceeds of multiple series of combined utility system revenue bonds to be issued by the Issuer, to pay all or any portion of the costs thereof, as well as the costs of issuance of such bonds;

WHEREAS, the Issuer has determined to initially finance the costs of the Sewer Treatment Plant Project through the simultaneous issuance of three series of combined utility system revenue bonds designated, and in the not to exceed amounts, as follows:

The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 A (Tax Exempt), in the aggregate principal amount of not more than \$100,000,000 (the "Series 2016 A Bonds");

The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 B (Tax Exempt – Extraordinary Optional Call), in the aggregate principal amount of not more than \$30,000,000 (the "Series 2016 B Bonds"); and

The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 C (West Virginia SRF Program), in the aggregate principal amount of not more than \$10,000,000 (the "Series 2016 C Bonds," and collectively with the Series 2016 A Bonds and the Series 2016 B Bonds, the "Sewer Treatment Plant Project Bonds").

WHEREAS, the Issuer has determined to enact this Ordinance to authorize the issuance of the Series 2016 A Bonds (the "Series 2016 A Ordinance"), such Series 2016 A Bonds to have such security and such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, the Issuer is, simultaneously with the enactment of this Series 2016 A Ordinance, considering separate Ordinances to approve, respectively, the issuance of the Series 2016 B Bonds (the "Series 2016 B Ordinance") and the Series 2016 C Bonds (the "Series 2016 C Ordinance" and, collectively with the Series 2016 A Ordinance and the Series 2016 B Ordinance, the "Sewer Treatment Plant Project Bond Ordinances");

WHEREAS, the Issuer has determined that the design, acquisition and construction of certain extensions, betterments and improvements to the potable water raw water supply and storage, treatment, treated water storage and distribution system (the "Potable Water System"), specifically including, but not limited to, the design, acquisition and construction of a new water reservoir and the installation of emergency generators to serve certain facilities in the Potable Water System, and all necessary appurtenances (collectively, the "Water Reservoir Project"), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined to finance all or a portion of the costs of the Water Reservoir Project through the issuance of its The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 D (Tax Exempt), in the aggregate principal amount of not more than \$40,000,000 (the "Series 2016 D Bonds"), to be issued either simultaneously with, or after, the issuance of the Sewer Treatment Plant Project Bonds, pursuant to an ordinance of the Issuer (the "Series 2016 D Ordinance") enacted simultaneously with the enactment of the Sewer Treatment Plant Project Bond Ordinances;

The Series 2016 A Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds (collectively, the "Series 2016 Bonds") will be issued on a parity with one another, the Prior Bonds, and any Additional Parity Bonds (as hereinafter defined) with respect to their lien on and security interest in the Gross Revenues of the System, and the Series 2016 A Bonds shall contain such other terms and provisions as are hereinafter provided, all in the manner set forth herein; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City that its Series 2016 A Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement, (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, hereinafter defined;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF MORGANTOWN HEREBY ORDAINS:

ARTICLE I
DEFINITIONS, STATUTORY AUTHORITY, FINDINGS

Section 1.01. Definitions All capitalized terms used in this Ordinance and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2016 A Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

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

"Board" shall mean The City of Morgantown Utility Board, created by an ordinance of the Issuer, or any successor thereto, the authorized officer for which will be the Board's General Manager.

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

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

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

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2016 A Bonds, shall initially mean the bond insurer or bond insurers, if any, named in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Series 2016 A Bonds.

"Bond Year" means with respect to each series of Series 2016 A Bonds the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2016 A Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds, the Series 2016 D Bonds, the Prior Bonds and any

Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations, West Virginia banking corporations or the New York Stock Exchange are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2016 A Bonds in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2016 A BONDS," attached hereto.

"City" or "Issuer" means The City of Morgantown, a municipal corporation and political subdivision of the State of West Virginia, in Monongalia County thereof, and, where appropriate, the Council, the Board and any successor thereto.

"City Clerk" or "Clerk" means the City Clerk of the Issuer.

"City Manager" means the City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the original purchase price thereof.

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

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

"Consulting Engineers" means any independent qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Board as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation those costs set forth in Section 1.02C.

"Council" means the City Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"Debt Service" with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to the Bonds during such period.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"DTC" means The Depository Trust Company, New York, New York, or its successor thereof.

"DTC-eligible" means, with respect to the Series 2016 A Bonds, meeting the qualifications prescribed by DTC.

"Event of Default" means any occurrence or event specified in Section 7.01.

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

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

"Government Obligations" shall have the meaning set forth in the Supplemental Resolution.

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

"Independent Accountant" means the West Virginia State Tax Department or any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any purpose except keeping the accounts of said System in the normal operations of its business and affairs, and specifically shall not include any certified public accountant who is an employee of either the City or the Board.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which

is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on Bonds for the then current or any succeeding Fiscal Year.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Series 2016 A Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2016 A Bonds, in accordance with the terms thereof.

"Net Proceeds" means the face amount of the Series 2016 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and less proceeds deposited in the Series 2016 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2016 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2016 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 2016 A Bonds.

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

"Ordinance" or "Bond Ordinance" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by resolution.

"Original Purchaser" means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2016 A Bonds directly from the Issuer, as determined by a resolution supplemental hereto.

"Outstanding" when used with reference to the Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which monies, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders for the purpose of consents, notices and the like, any Bond registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means, initially, the West Virginia Municipal Bond Commission and any other paying agent for the Series 2016 A Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"Prior Bonds" means, collectively, the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2013 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, and Series 2015 E Bonds.

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

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Purchase Price" for the purpose of computation of the Yield of the Series 2016 A Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2016 A Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting

in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds of each maturity is sold or, if the Series 2016 A Bonds are privately placed, the price paid by the first buyer of the Series 2016 A Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2016 A Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2016 A Bonds.

"Qualified Investments" means and includes the investments set forth in the Supplemental Resolution and designated as such.

"Record Date" means the date or dates which shall be so stated in the Series 2016 A Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

"Redemption Price" means the price at which any of the Bonds may be called for redemption and includes the principal amount of the Bonds to be redeemed, plus the interest and the premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2016 A Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

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

"Sanitary Sewerage System" means, collectively, the sanitary sewerage collection and treatment portion of the System.

"Series 1995 Bonds" means the Combined Utility System Revenue Bonds, Series 1995 (West Virginia SRF Program), of the Issuer, dated April 27, 1995, issued in the original aggregate principal amount of \$1,601,477.

"Series 2000 A Bonds" means the Combined Utility System Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of \$7,842,000.

“Series 2000 B Bonds” means the Combined Utility System Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of \$2,488,000.

“Series 2001 A Bonds” means the Combined Utility System Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer, dated February 8, 2001, issued in the original aggregate principal amount of \$3,812,470.

“Series 2006 A Bonds” means the Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of \$6,410,191.

“Series 2007 A Bonds” means the Combined Utility System Revenue Bonds, Series 2007 A (West Virginia SRF Program), of the Issuer, dated August 14, 2007, issued in the original aggregate principal amount of \$8,500,000.

“Series 2010 A Bonds” means the Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$37,950,000.

“Series 2010 B Bonds” means the Combined Utility System Revenue Bonds, Series 2010 B (West Virginia SRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$81,600.

“Series 2010 C Bonds” means the Combined Utility System Revenue Bonds, Series 2010 C (West Virginia SRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$15,380,227.

“Series 2010 D Bonds” means the Combined Utility System Revenue Bonds, Series 2010 D (West Virginia DWTRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$9,317,286.

“Series 2010 E Bonds” means the Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$100,000.

“Series 2010 F Bonds” means the Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$7,250,000.

“Series 2012 A Bonds” means the Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, dated August 24, 2012, issued in the original aggregate principal amount of \$570,000.

“Series 2012 C Bonds” means the Combined Utility System Revenue Bonds, Series 2012 C (Bank Qualified), of the Issuer, dated October 5, 2012, issued in the original aggregate principal amount of \$2,330,000.

“Series 2013 A Bonds” means the Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated August 22, 2013, issued in the original aggregate principal amount of \$4,605,260.

“Series 2014 B Bonds” means the Combined Utility System Revenue Bonds, Series 2014 B, of the Issuer, dated July 13, 2014, issued in the original aggregate principal amount of \$505,421.

“Series 2015 A Bonds” means the Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of \$137,568..

“Series 2015 B Bonds” means the Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of \$4,586.

“Series 2015 C Bonds” means the Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of \$8,111,813.

“Series 2015 D Bonds” means the Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of \$1,688,394.

“Series 2015 E Bonds” means the Combined Utility System Revenue Bonds, Series 2015 E (West Virginia SRF Program), of the Issuer, dated June 11, 2015 issued in the original aggregate principal amount of \$662,300.

“Series 2016 Bonds” means collectively, the Series 2016 A Bonds, Series 2016 B Bonds, Series 2016 C Bonds and, if issued, the Series 2016 D Bonds.

"Series 2016 A Bonds" means the Combined Utility System Revenue Bonds, Series 2016 A of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2016 A Bonds Construction Fund" means the Series 2016 A Bonds Construction Fund created by Section 4.01 hereof.

"Series 2016 A Bonds Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2016 A Bonds Redemption Account" means the Redemption Account created in the Series 2016 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2016 A Bonds Reserve Account" means the Series 2016 A Bonds Reserve Account created in the Series 2016 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2016 A Bonds Sinking Fund" means the Series 2016 A Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2016 A Bonds Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2016 A Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2016 A Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2016 A Bonds.

"Series 2016 B Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B (Tax Exempt – Extraordinary Optional Call), issued contemporaneously with the issuance of the Series 2016 A Bonds, in the aggregate principal amount of not more than \$30,000,000, the proceeds of which will be used to finance a portion of the costs of the Sewer Treatment Plant Project.

"Series 2016 C Bonds" means the Combined Utility System Revenue Bonds, Series 2016 C (West Virginia SRF Program), issued contemporaneously with the issuance of the Series 2016 A Bonds, in the aggregate principal amount of not more than \$10,000,000, the proceeds of which will be used to finance a portion of the costs of the Sewer Treatment Plant Project.

"Series 2016 D Bonds" means the Combined Utility System Revenue Bonds, Series 2016 D (Tax-Exempt), to be issued either simultaneously with, or after, the issuance of the Sewer Treatment Plant Project Bonds, in the aggregate principal amount of not more than \$40,000,000, the proceeds of which will be used to finance the costs of the Water Reservoir Project.

"Sewer Treatment Plant Project" means, collectively, the acquisition and construction of certain additions, betterments and improvements to the System, including the design, acquisition and construction of improvements to the wastewater treatment plant located in Star City which is part of the Sanitary Sewer System.

“Sewer Treatment Plant Project Bonds” means, collectively, the Series 2016 A Bonds, the Series 2016 B Bonds and the Series 2016 C Bonds.

“Sewer Treatment Plant Project Bond Ordinances” means, collectively, the ordinances authorizing the Sewer Treatment Plant Project Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Bond Insurer provisions (if any) and other terms of the Series 2016 A Bonds and authorizing the sale of the Series 2016 A Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

“Surplus Revenues” means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2016 Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

"System" means the complete existing combined municipal waterworks, sewerage and stormwater system of the Issuer, as presently existing in its entirety or any integral part thereof and shall include the Sewer Treatment Plant Project and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for said municipal waterworks, sewerage and stormwater system from any sources whatsoever, both within and without the Issuer.

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

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

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The Issuer is a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State.

B. The Issuer presently owns and operates, through the Board, a public combined waterworks, sewerage, and stormwater system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the water environment of the City and specifically of the Sewer Treatment Plant Project area, that there be acquired and constructed certain extensions, additions, betterments and improvements to the System, specifically including, but not limited to, the rehabilitation and improvement of the wastewater treatment plant located in Star City, and all necessary appurtenances; (collectively, the "Sewer Treatment Plant Project") in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications are on file with the Board.

C. It is deemed necessary for the Issuer to issue its Combined Utility System Revenue Bonds, Series 2016 A, in the aggregate principal amount of not more than \$100,000,000, to permanently finance a portion of the costs of acquisition and construction of the Sewage Treatment Plant Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2016 A Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Sewer Treatment Plant Project; amounts which may be deposited in the Series 2016 A Bonds Reserve Account; underwriter's discount, engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; premiums for municipal bond insurance policy, debt service reserve account insurance policy or debt service reserve account surety bond; letter of credit fees; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2016 A Bonds and such other expenses as may be necessary or incidental to the financing

herein authorized; the acquisition and construction of the Sewage Treatment Plant Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2016 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Sewage Treatment Plant Project, as hereinafter defined.

D. The period of usefulness of the System after completion of the Sewage Treatment Plant Project is not less than 30 years.

E. It is in the best interests of the Issuer that the Series 2016 A Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by supplemental resolution of the Issuer.

F. There are or will be outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Prior Bonds, and the Issuer's Series 2016 B Bonds and Series 2016 C Bonds, to be issued contemporaneously with the issuance of the Series 2016 A Bonds, and the Issuer's Series 2016 D Bonds, which will be issued either contemporaneously with, or after, the issuance of the Series 2016 A Bonds.

Prior to the issuance of the Series 2016 Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds and Series 2015 E Bonds to the issuance of the Series 2016 Bonds on a parity with the Series 1992 Bonds, Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds and Series 2015 E Bonds. The Series 2010 A Bonds, Series 2010 F Bonds, Series 2012 C Bonds and Series 2014 B Bonds do not require written consent from the holders thereof.

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

Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

G. The Issuer intends to issue the Series 2016 A Bonds and to pledge for payment thereof, from the Gross Revenues of the System, on a parity with one another and on a parity with such pledge in favor of the Holders of the Series 2016 B Bonds, the Series 2016 C Bonds, the Series 2016 D Bonds, and the Prior Bonds.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, to provide for the repair, maintenance and operation of the System, to pay the Series 2016 A Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds, the Series 2016 D Bonds and the Prior Bonds, to pay the principal on the Series 2016 A Bonds, Series 2016 B Bonds, Series 2016 C Bonds and Series 2016 D Bonds and the Prior Bonds as and when it becomes due and reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2016 A Bonds, and secure the Series 2016 A Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the System, the monies in the Series 2016 A Bonds Sinking Fund, including the Series 2016 A Bonds Reserve Account therein, unexpended proceeds of the Series 2016 A Bonds and as further set forth herein.

J. The Series 2016 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A – FORM OF SERIES 2016 A BONDS attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K. All things necessary to make the Series 2016 A Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2016 A Bonds, will be timely done and duly performed.

L. The enactment of this Ordinance, the execution and issuance of the Series 2016 A Bonds and the amendment, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. Prior to construction, the Issuer will have complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Water Reservoir Project and the System and issuance of the Series 2016 A Bonds including but not limited to Chapter 24, Article 2, Paragraph 11 (l).

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2016 A Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Series 2016 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2016 A Bond and any other Series 2016 A Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE SEWER TREATMENT PLANT PROJECT

Section 2.01 Authorization of Acquisition and Construction of the Sewer Treatment Plant Project. There is hereby authorized and ordered the acquisition and construction of the Sewer Treatment Plant Project, at an estimated cost of not more than \$140,000,000, of which up to \$100,000,000 will be obtained from the proceeds of the Series 2016 A Bonds, up to \$30,000,000 will be obtained from the proceeds of the sale of the Series 2016 B Bonds and up to \$10,000,000 will be obtained from the proceeds of the sale of the Series 2016 C Bonds.

ARTICLE III

THE SERIES 2016 A BONDS

Section 3.01 Form and Payment of Bonds. No Series 2016 A Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2016 A Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2016 A Bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof for any year of maturity. All Series 2016 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2016 A Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2016 A Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2016 A Bonds shall be in default, Bonds issued in exchange for Series 2016 A Bonds surrendered for transfer or exchange shall bear

interest from the date to which interest has been paid in full on the initial Series 2016 A Bonds surrendered.

The principal of and the premium, if any, on the Series 2016 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2016 A Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of \$1,000,000 or more of the Series 2016 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2016 A Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Series 2016 A Bond in the principal amount of said 2016 A Bond then Outstanding.

Section 3.02. Execution of Bonds. The Series 2016 A Bonds shall be executed in the name of the Issuer by the Mayor, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2016 A Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2016 A Bonds be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2016 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2016 A Bond, substantially in the form set forth in EXHIBIT A – FORM OF SERIES 2016 A BONDS attached hereto and incorporated herein by reference with respect to the Series 2016 A Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2016 A Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2016 A Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the

Certificate of Authentication and Registration on all of the Series 2016 A Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2016 A Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2016 A Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2016 A Bonds. The Series 2016 A Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2016 A Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2016 A Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2016 A Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2016 A Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2016 A Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2016 A Bonds, the Registrar may impose a service charge. For every such transfer or exchange of Series 2016 A Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making

such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2016 A Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2016 A Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Bonds be at any time found by any one, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued as part of the Series 2016 A Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2016 A Bonds Redemption Account in accordance with Section 4.03 shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2016 A Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

2. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

3. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2016 A Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2016 A Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2016 A Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of \$5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2016 A Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer and the registered owner of the Series 2016 A Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2016 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

All official notices of redemption shall be dated and shall state:

- (1) The Redemption Date,
- (2) The Redemption Price,
- (3) If less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar, and
- (6) Such other information, if any, as shall be required for DTC-Eligible Bonds.

If funds sufficient to redeem all Series 2016 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2016 A Bonds called for redemption of such fact.

Official notice of redemption having been given as aforesaid, the Series 2016 A Bonds, or portions of the Series 2016 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption

Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2016 A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such Bond. All Series 2016 A Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2016 A Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 2016 A Bonds. For the purposes of paying a portion of the costs of the Sewage Treatment Plant Project, capitalizing interest on the Series 2016 A Bonds, paying the premium for a municipal bond insurance policy, funding the Series 2016 A Bonds Reserve Account with proceeds of the Series 2016 A Bonds or paying the premium for a municipal bond debt service reserve insurance policy, in a amount equal to the Series 2016 A Bonds Debt Service Reserve Requirement and paying costs in connection with the issuance of the Series 2016 A Bonds, there shall be issued the Series 2016 A Bonds of the Issuer, in an aggregate principal amount of not more than \$100,000,000. Said Series 2016 A Bonds shall be designated "Combined Utility System Revenue Bonds, Series 2016

A (Tax Exempt)" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in one or more Supplemental Resolution(s), and shall be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2016 A Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2016 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2016 A Bonds shall be dated; shall be in such aggregate principal amount (not to exceed \$100,000,000); shall bear interest at such rate or rates, (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 35 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2016 A Bonds.

A. The Series 2016 A Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2016 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2016 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2016 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2016 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2016 A Bond or any other evidence of ownership of the Series 2016 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2016 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2016 A Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2016 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2016 A Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2016 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2016 A

Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2016 A Bonds so redeemed, but DTC may retain such Series 2016 A Bonds and make an appropriate notation on the Series 2016 A Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2016 A Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2016 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2016 A Bonds, selecting the Series 2016 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2016 A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2016 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2016 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2016 A Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2016 A Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2016 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2016 A Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2016 A Bonds. In either of such events (unless in the case described in clause (iii) above, the Issuer appoints a successor securities depository), the Series 2016 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2016 A Bonds.

Section 3.12. Delivery of Series 2016 A Bonds. A. The Issuer shall execute and deliver the Series 2016 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2016 A Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2016 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2016 A Bonds to DTC for the benefit of the Original Purchaser;

(3) Copies, certified by the City Clerk, of this Ordinance and the Supplemental Resolution;

(4) The unqualified approving opinion upon the Series 2016 A Bonds by Bond Counsel; and

(5) Such other opinions, certificates and documents as shall be reasonably requested by the Original Purchaser.

Section 3.13. Form of Series 2016 A Bonds. The definitive Series 2016 A Bonds shall be in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2016 A BONDS attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2016 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2016 A Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2016 A Bonds. Upon the issuance and delivery of the Series 2016 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2016 A Bonds from the date thereof to the date of delivery thereof, if any, shall be deposited in the Series 2016 A Bonds Sinking Fund and applied to payment of interest on the Series 2016 A Bonds at the first interest payment date.

2. if a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2016 A Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer.

3. An amount of the proceeds of the Series 2016 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2016 A Bonds Reserve Account; provided, that to the extent the Series 2016 A Bonds Reserve Requirement is satisfied in whole or in part from a municipal bond debt serve reserve insurance polity, letter of credit, surety bond or other credit facility, proceeds of the Series 2016 A Bonds shall be deposited in the Series 2016 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2016 A Bonds Reserve Requirement.

4. The amount of Series 2016 A Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2016 A Bonds shall be deposited with the Depository Bank in the Series 2016 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2016 A Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2016 A Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2016 A Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2016 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2016 A Bonds from which such proceeds are derived.

5. The balance of Series 2016 A Bonds proceeds, if any, shall be deposited in the Series 2016 A Bonds Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Series 2016 A Bonds Construction Fund. Disbursements from the Series 2016 A Bonds Construction Fund, except for payment of Costs of Issuance of the Series 2016 A Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Utility, shall be made only for design, acquisition and construction of capital improvements, repairs and replacements for the Sewer Treatment Plant Project, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2016 A Bonds Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Utility.

ARTICLE IV

SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other (except as set forth in this Section 4.01), and used solely for the purposes provided herein:

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Depreciation Fund (established by the Prior Ordinances);
- (3) Operation and Maintenance Fund (established by the Prior Ordinances); and
- (4) Series 2016 A Bonds Construction Fund.

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

- (1) Series 1992 Bonds Sinking Fund (established by Prior Ordinances);
- (2) Series 1992 Bonds Reserve Account established by Prior Ordinances);
- (3) Series 1995 Bonds Sinking Fund (established by Prior Ordinances);
- (4) Series 1995 Bonds Reserve Account established by Prior Ordinances);
- (5) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);
- (6) Series 2000 A Bonds Reserve Account established by Prior Ordinances);
- (7) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances);

- (8) Series 2000 B Bonds Reserve Account established by Prior Ordinances);
- (9) Series 2001 A Bonds Sinking Fund (established by Prior Ordinances);
- (10) Series 2001 A Bonds Reserve Account established by Prior Ordinances);
- (11) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);
- (12) Series 2006 A Bonds Reserve Account established by Prior Ordinances);
- (13) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);
- (14) Series 2007 A Bonds Reserve Account established by Prior Ordinances);
- (15) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);
- (16) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);
- (17) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);
- (18) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);
- (19) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);
- (20) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);
- (21) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);

- (22) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);
- (23) Series 2010 F Bonds Sinking Fund (established by Prior Ordinances);
- (24) Series 2010 F Bonds Reserve Account (established by Prior Ordinances);
- (25) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);
- (26) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);
- (29) Series 2012 C Bonds Sinking Fund (established by Prior Ordinances);
- (30) Series 2012 C Bonds Reserve Account (established by Prior Ordinances);
- (27) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);
- (28) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);
- (29) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances);
- (30) Series 2014 B Bonds Reserve Account (established by Prior Ordinances);
- (31) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances);
- (32) Series 2015 A Bonds Reserve Account (established by Prior Ordinances);
- (33) Series 2015 B Bonds Sinking Fund (established by Prior Ordinances);

- (34) Series 2015 B Bonds Reserve Account (established by Prior Ordinances);
- (35) Series 2015 C Bonds Sinking Fund (established by Prior Ordinances);
- (36) Series 2015 C Bonds Reserve Account (established by Prior Ordinances);
- (35) Series 2015 D Bonds Sinking Fund (established by Prior Ordinances);
- (36) Series 2015 D Bonds Reserve Account (established by Prior Ordinances);
- (37) Series 2015 E Bonds Sinking Fund (established by Prior Ordinances);
- (38) Series 2015 E Bonds Reserve Account (established by Prior Ordinances);
- (39) Series 2016 B Bonds Sinking Fund (established by Sewer Treatment Plant Project Bond Ordinances);
- (40) Series 2016 B Bonds Reserve Account (established by Sewer Treatment Plant Project Bond Ordinances);
- (41) Series 2016 C Bonds Sinking Fund (established by Sewer Treatment Plant Project Bond Ordinances);
- (42) Series 2016 C Bonds Reserve Account (established by Sewer Treatment Plant Project Bond Ordinances);
- (43) Series 2016 D Bonds Sinking Fund (established by ordinance authorizing the Series 2016 D Bonds);
- (44) Series 2016 D Bonds Reserve Account (established by ordinance authorizing the Series 2016 D Bonds);
- (45) Series 2016 A Bonds Sinking Fund; and
- (46) Series 2016 A Bonds Reserve Account

Section 4.03. System Revenues and Application Thereof. So long as any of the Series 2016 A Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to for payment of interest on the Series 1995 Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2014 B Bonds, Series 2015 A Bonds; (ii) the amounts required by the ordinances authorizing the Series 2016 B Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds to be deposited into the respective sinking funds for the payment of interest on the Series 2016 B Bonds, Series 2016 C Bonds and Series 2016 D Bonds; and (iii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2016 A Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2016 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2016 A Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2016 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2016 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2016 A Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2016 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2016 A Bonds Sinking Fund.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Prior Bonds Sinking Funds for payment of principal on the Prior Bonds; (ii) the amounts required by the ordinances authorizing the Series 2016 B Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds to be deposited into the respective sinking funds for the payment of principal on the Series 2016 B Bonds, Series 2016 C Bonds and Series 2016 D Bonds; and (iii) for deposit in the Series 2016 A Bonds Sinking Fund (and in the Series 2016 A Bonds Redemption Account therein in the

case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2016 A Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2016 A Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2016 A Bonds on the next ensuing principal payment or mandatory Redemption Date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2016 A Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2016 A Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2016 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Reserve Accounts for the Prior Bonds; (ii) the amounts required by the ordinances authorizing the Series 2016 B Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds to be deposited into the respective reserve accounts for the Series 2016 B Bonds, Series 2016 C Bonds and Series 2016 D Bonds; and (iii) commencing 13 months prior to the first date of payment of principal of the Series 2016 A Bonds or upon completion of construction of the Sewer Treatment Plant Project, whichever is earlier, if not fully funded upon issuance of the Series 2016 A Bonds, for deposit in the Series 2016 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2016 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2016 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2016 A Bonds Reserve Requirement; provided further, that if the amounts in the Series 2016 A Bonds Reserve Account, as a result of a decrease in value of the Series 2016 A Bonds Reserve Account below the Series 2016 A Bonds Reserve Account Requirement or any withdrawal from the Series 2016 A Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2016 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (i) the valuation of investments in the Series 2016 A Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2016 A Bonds Reserve Account is less than the Series 2016 A Bond Reserve Account Requirement, or (ii) any amount is withdrawn from the Series 2016 A Bonds Reserve Account for deposit into the Series 2016 A Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2016 A Bonds Reserve Account to an amount equal to the Series 2016 A Bond Reserve Account Requirement to the full extent

that such Net Revenues are available; provided, however, that if the shortfall in the Series 2016 A Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2016 A Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2016 A Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2016 A Bond Reserve Account Requirement.

Amounts in the Series 2016 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2016 A Bonds when due, when amounts in the Series 2016 A Bonds Sinking Fund are insufficient therefor and for no other purpose.

(4) The Issuer shall next, each month, transfer from the Revenue Fund an amount sufficient to pay current Operating Expenses of the System.

(5) The Issuer shall next, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2.5% 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. Subject to the restrictions contained in the Prior Ordinances, so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, or improvements or extensions to the System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) 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.

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2016 A Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2016 A Bonds, by

the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. The monies on deposit in the Revenue Fund and the Renewal and Replacement Fund in excess of the sum insured by the FDIC shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of municipal funds under the laws of the State.

D. Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2015 A Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds, all in accordance with the respective principal amounts then Outstanding.

ARTICLE V
INVESTMENTS; NON-ARBITRAGE;
REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer, through the Board, shall invest and reinvest, and shall instruct the Bond Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall, through the Board, 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 Issuer, through the Board, may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section (unless otherwise required by the Bond Insurer and as set forth in the Supplemental Resolution):

(A) Qualified Investments acquired for the Series 2016 A Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer, through the Board, shall, or shall cause the Bond Commission to, annually transfer from the Series 2016 A Bonds Reserve Account to the Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2016 A Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2016 A Bonds Reserve Account an amount at least equal to the Series 2016 A Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2016 A Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2016 A Bonds Reserve Account shall, at any time, be less than the applicable Series 2016 A Bonds Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.03(3).

(E) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2016 A Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(F) Notwithstanding the foregoing, all monies deposited in the Series 2016 A Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the Issuer hereby instructs the Mayor and City Manager to take all actions necessary for the Issuer to comply with the continuing disclosure agreement.

Section 5.03. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2016 A Bonds in such manner and to such extent as may be necessary, so that such Series 2016 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of

a Federal information return with respect to such Bonds) so that the interest on the Series 2016 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.04. Tax Certificate, Rebates, and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2016 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefore. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.04. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.04 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in

order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2016 A Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2016 A Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2016 A Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Series 2016 A Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the System, the monies in the Series 2016 A Bonds Sinking Fund and all accounts therein, the unexpended proceeds of the Series 2016 A Bonds or monies in a construction fund, if any, all as herein provided. No Holder or Holders of any Series 2016 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2016 A Bonds or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Gross Revenues and Monies in Sinking Fund. The payment of the debt service of all of the Series 2016 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System on a parity with one another and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds, and, in the instance of the Series 2016 A Bonds, all monies and securities in the Series 2016 A Sinking Fund, including the Series 2016 A Bonds Reserve Account therein, to the extent necessary to make the payments required under Section 4.03. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds, the Series 2016 D Bonds and the Series 2016 A Bonds herein authorized, and to make the payments into the Series 2016 A Bonds Sinking Fund, all monies and securities in the Series 2016 A Bonds Sinking Fund, including the Series 2016 A Bonds Reserve Account therein.

Section 6.04. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law.

Copies of such rates and charges so established may be obtained from the Board by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2016 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2016 A Bonds, including the Prior Bonds, the Series 2016 B Bond, the Series 2016 C Bonds and the Series 2016 D Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 120 days following a determination of the Independent Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

The Issuer expressly reserves the right to reduce the rates for the System in effect as of the date of issuance of the Series 2016 A Bonds in the event that, based on a certificate of an Independent Certified Public Accountant, even after any such decrease in rates, the Issuer will meet the requirements of the Section 6.04 and is not in default under any other provision of any ordinance authorizing in bonds or other indebtedness secured by the Gross Revenues of the System.

Section 6.05. Completion of Sewer Treatment Plant Project; Operation and Maintenance. The Issuer will complete the Sewer Treatment Plant Project as promptly as possible. The Issuer will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of said System in the manner provided in this Ordinance.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Sewer Treatment Plant Project.

Section 6.06. 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 by the Prior Ordinances. Additionally, so long as the Series 2016 A Bonds are Outstanding, the System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the Series 2016 A Bonds Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Revenues of the System.

The foregoing provision notwithstanding, the Board 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 is not in excess of \$1,000,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be used for any lawful purpose of the System. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of \$1,000,000 but not in excess of \$5,000,000, the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of \$1,000,000 and not in excess of \$5,000,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

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 shall be in excess of \$5,000,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of any applicable Bond Insurer and the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer and the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations

whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, 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 the Gross Revenues with the Series 2016 A Bonds; and all obligations hereafter issued by the Issuer payable from the revenues of the System, except such Additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Series 2016 A Bonds.

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, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2016 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2016 A Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds, Series 2016 B Bonds, Series 2016 C Bonds or Series 2016 D Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Ordinances authorizing such bonds shall be applicable. In addition, no Additional Parity Bonds, as in this section defined, payable out of the revenues of the System shall be issued after the issuance of the Series 2016 A Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, betterments or improvements for the System, refunding all or a portion of one or more series of the Series 2016 A Bonds issued pursuant hereto, the Series 2016 B Bonds, the Series 2016 C Bonds, the Series 2016 D Bonds or the Prior Bonds, refunding all or a portion of any series any Additional Parity Bonds hereinafter issued, paying claims which may exist against the revenues or facilities of the System, or all of such purposes.

No such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Certified Public Accountant, 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 Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the date of issuance of such Additional Parity Bonds, shall be not less than 115% of the Maximum Annual Debt Service on the following:

- (1) The Series 2016 A Bonds then Outstanding;

- (2) The Prior Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds Outstanding;
- (3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and
- (4) The Additional 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 Additional 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 issuance of such Additional 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 Accountant, 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 Additional Parity Bonds.

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Gross Revenues of the System on a parity with the Series 2016 A Bonds and the Prior Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2016 A Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds, the Series 2016 D Bonds and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross 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 Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the System of which is subject to the prior and superior lien of the Bonds on such Gross Revenues. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the System, or any part thereof, which rank prior

to or equally, as to lien and source of and security for payment from such Revenues with the Series 2016 A Bonds except in the manner and under the conditions provided in this section.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in the Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2016 A Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Board and the Issuer during construction of the Sewer Treatment Plant Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the Board from claims for bodily injury and/or death and 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 and the Board from claims arising out of operation or ownership of motor vehicles of or for the System; provided, that the Board, with the review of an independent insurance consultant and the concurrence of the Issuer, may elect to self-insure.

If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other municipal water and

sewer systems of similar size and type in the State to the extent that such information is available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

C. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the County Commission of Monongalia County prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

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

The Issuer shall require all contractors engaged in the construction of the Sewer Treatment Plant 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 Sewer Treatment Plant Project covered by the particular contract as security for the faithful performance of such contract.

The Issuer shall also require all contractors engaged in the construction of the Sewer Treatment Plant Project to carry such workers' compensation coverage for all employees working on the Sewer Treatment Plant 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 Sewer Treatment Plant Project.

Section 6.10. Services Rendered to the Board or Issuer. The Board will not render or cause to be rendered any free services of any nature by its System; and, in the event the Board, the Issuer or any department, agency, instrumentality, officer or employee

thereof shall avail himself 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 Board, the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Board or the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.11. Enforcement of Collections. The Issuer shall, through the Board 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 Public Service Commission of West Virginia and other laws of the State of West Virginia.

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Books and Records. The Board will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Series 2016 A Bond, shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Board relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Board. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Board. The Board 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 Board shall be reported to such agent of the Board as it shall direct.

The Issuer or the Board shall , at least once a year, cause the books, records and accounts of the System to be completely audited by an Independent Accountant.

Section 6.14. Operating Budget. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by the charter of the Issuer, 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.

Section 6.15. Mandatory Connections. The mandatory use of the sewerage portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer, and in order to assure the rendering harmless of sewage and waterborne waste matter produced or arising within the territory served by the sewerage portion of the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sewerage portion of the System.

Any such house, dwelling or building from which emanates sewage or waterborne waste matter and which is not so connected with the sewerage portion of the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the residents of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2016 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2016 A Bonds and shall be on a parity with one another and with the statutory mortgage lien in favor of the Holders of the Prior Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds.

Section 6.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2016 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2016 A Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net

Proceeds of the Series 2016 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2016 A Bonds during the terms thereof is, under the terms of such Series 2016 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2016 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2016 A Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2016 A Bonds or \$5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2016 A Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2016 A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2016 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. Without limiting the generality of the foregoing, the Issuer agrees to comply with the provisions of the Tax Certificate, which are hereby incorporated herein. This covenant shall survive payment in full or defeasance of the Series 2016 A Bonds.

Section 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer intends to obtain Municipal Bond Insurance Policies for the Series 2016 A Bonds. In the event such Municipal Bond Insurance Policies are obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2016 A Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2016 A Bonds and any other Bonds

which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

Section 6.19. Covenants Regarding the Municipal Bond Debt Service Reserve Insurance Policy. The Issuer intends to obtain a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2016 A Bonds Debt Service Reserve Account. In the event such Municipal Bond Debt Service Reserve Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2016 A Bonds, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

Section 6.20. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser, the form of which shall be approved by the Supplemental Resolution, sufficient to ensure compliance with Rule 15c2-12, as it may be amended from time to time, and the Mayor is authorized and directed to execute and deliver such Continuing Disclosure Agreement on behalf of the Issuer, with such changes as the Mayor shall approve, such approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by the Mayor. The Mayor and Clerk are further authorized to take all actions necessary for the Issuer to comply with the Continuing Disclosure Agreement.

Section 6.21 Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2016 A Bonds shall be and the same is hereby approved. The form of the Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Mayor is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2016 A Bonds and as the Mayor may approve (the "Official Statement"). The execution of the Official Statement by the Mayor shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.22. Bond Purchase Agreement. The Series 2016 A Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2016 A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2016 A Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Series 2016 A Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Insurer; or

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

(D) If default occurs with respect to the Prior Bonds or the Prior Ordinances, or the Series 2016 B Bonds, the Series 2016 C Bonds or the Series 2016 D Bonds or the ordinances authorizing such bonds.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder (with the prior written consent of the applicable Bond Insurer) or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Series 2016 A Bonds, as applicable;

(D) 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 Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute all pro rata, with respect to the Prior Bonds and the Series 2016 Bonds, in accordance with the respective principal amounts then Outstanding.

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

No waiver of any default or Event of Default hereunder by the Bondholders shall be made without the prior written consent of the applicable Bond Insurer or shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer 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 on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Series 2016 A Bonds, and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Series 2016 A Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts 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 Ordinance shall have been cured and made good, and all monies due hereunder or under any Supplemental Resolution have been paid in full, 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 Bondholder

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, 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 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 the Holders of the Series 2016 A Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and the Bondholders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII **REGISTRAR AND PAYING AGENT**

Section 8.01. Appointment of Registrar. The Registrar for the Series 2016 A Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby

authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2016 A Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2016 A Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2016 A Bonds, the first exchange of Series 2016 A Bonds and the exchange of Series 2016 A Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2016 A Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2016 A Bonds, or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2016 A Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving

of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately; provided, that in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer or by the Holders of a majority in principal amount of the Series 2016 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the applicable Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided, that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2016 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Series 2016 A Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The West Virginia Municipal Bond Commission shall initially serve as Paying Agent. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2016 A Bond shall be and remain DTC-Eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from monies available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All monies received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2016 A Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Gross Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2016 A Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2016 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of

the principal of and interest on said Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X **MISCELLANEOUS**

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2016 A Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2016 A Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Bondholder or other person, be amended, modified or supplemented in any manner which, in the opinion of Bond Counsel, does not materially adversely affect the interests of the Bondholders or any Bond Insurer, provided, that in the event any of the Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Series 2016 A Bonds then Outstanding and affected thereby and the Bond Insurer, which must be filed with the Clerk of the Issuer before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Series 2016 A Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may

nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Series 2016 A Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Series 2016 A Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Series 2016 A Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Series 2016 A Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2016 A Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

CITY

The City of Morgantown
389 Spruce Street
Morgantown, West Virginia 26505
Attention: City Manager

REGISTRAR

[Name(s) and address(s) to be set forth in Supplemental Resolution]

PAYING AGENT

West Virginia Municipal Bond Commission
900 Pennsylvania Avenue
Suite 1117
Charleston, West Virginia 25302
Attn: Executive Director

DEPOSITORY BANK

[Name(s) and address(s) to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER

[Name(s) and address(s) to be set forth in Supplemental Resolution]

BOND INSURER

[Name(s) and address(es) to be set forth in the Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Council, the Board or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2016 A Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2016 A Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2016 A Bonds, the Bond Insurer and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headlines. 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 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to

contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Dominion Post*, a newspaper published and having a general circulation in The City of Morgantown, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2016 A Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 2nd day of February, 2016, at 7:00 p.m., in the Council Chambers of the City Hall, Morgantown and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

[Remainder of Page Intentionally Blank]

Section 10.14. Effective Date. This Ordinance shall become effective following public hearing hereon in accordance with the Act.

First Reading: January 5, 2016

Second Reading: January 19, 2016

Effective following
Public Hearing held on: February 2, 2016

THE CITY OF MORGANTOWN

Mayor

[SEAL]

ATTEST:

City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of THE CITY OF MORGANTOWN at a regular meeting of the City Council held on February 2, 2016, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in The City of Morgantown, the first publication having been not less than 10 days prior to such public hearing.

Dated this ____ day of _____, 2016.

[SEAL]

City Clerk

EXHIBIT A – FORM OF SERIES 2016 A BONDS

[DTC Legend]

No. AR-_____

\$ _____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A

INTEREST RATE: MATURITY DATE:

BOND DATE:

CUSIP:

_____ %

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum

specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$ _____ designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2016 A" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2016, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to finance the cost of acquisition and construction of Sewer Treatment Plant Project; [(ii) to capitalize interest on the Series 2016 A Bonds;] [(iii) pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2016 A Bonds;] [(iv) to fund a reserve account for the Series 2016 A Bonds/to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2016 A Bonds] in an amount equal to the Series 2016 A Bonds Reserve Requirement; and (v) to pay certain costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statute of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on _____, 2016, and supplemented by a supplemental resolution adopted by said Council on _____, 2016 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other

security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

[The Series 2016 A Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Bond Insurer].]

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

(1) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 1995 (WEST VIRGINIA SRF PROGRAM), DATED APRIL 27, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,601,477 (THE "SERIES 1995 BONDS");

(2) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,842,000 (THE "SERIES 2000 A BONDS");

(3) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,488,000 (THE "SERIES 2000 B BONDS");

(4) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 8, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,812,470 (THE "SERIES 2001 A BONDS");

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$6,410,191 (THE "SERIES 2006 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2007 A

(WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,500,000 (THE "SERIES 2007 A BONDS");

(7) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$37,950,000 (THE "SERIES 2010 A BONDS");

(8) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$81,600 (THE "SERIES 2010 B BONDS");

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$15,380,227 (THE "SERIES 2010 C BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,317,286 (THE "SERIES 2010 D BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 E (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 E BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF \$7,250,000 (THE "SERIES 2010 F BONDS");

(13) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$570,000 (THE "SERIES 2012 A BONDS");

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 C (BANK QUALIFIED), DATED OCTOBER 5, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,330,000 (THE "SERIES 2012 C BONDS");

(15) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,605,260 (THE "SERIES 2013 A BONDS");

(16) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$505,421 (THE "SERIES 2014 B BONDS");

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$137,568 (THE "SERIES 2015 A BONDS");

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,586 (THE "SERIES 2015 B BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 C (WEST VIRGINIA SRF PROGRAM), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,111,813 (THE "SERIES 2015 C BONDS");

(20) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D (WEST VIRGINIA SRF PROGRAM), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,688,394 (THE "SERIES 2015 D BONDS");

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 E (WEST VIRGINIA SRF PROGRAM), DATED JUNE 11, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$662,300 (THE "SERIES 2015 E BONDS"), (COLLECTIVELY, THE "PRIOR BONDS");

(22) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B (TAX-EXEMPT-EXTRODINARY OPTIONAL CALL), DATED _____, 2016, ISSUED SIMULTANEOUSLY HEREWITH, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2016 B BONDS");

(23) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 C (WEST VIRGINIA SRF PROGRAM), DATED _____, 2016, ISSUED SIMULTANEOUSLY HEREWITH, IN THE ORIGINAL AGGREGATE PRINCIPAL

AMOUNT OF \$ _____ (THE "SERIES 2016 C BONDS"); AND

(24) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 D (TAX-EXEMPT), DATED _____, 2016, ISSUED SIMULTANEOUSLY HEREWITH, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2016 D BONDS").

The Series 2016 A Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on and after _____, 20____, are subject to redemption prior to maturity at the option of the Issuer on or after _____, 20____, in whole at any time and in part on any Interest Payment Date, as directed by the Issuer, in reverse order of maturity and by lot within a maturity, at the following Redemption Prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

<u>Period During Which Redeemed</u> <u>(Dates Inclusive)</u>	<u>Redemption</u> <u>Price</u>
---	-----------------------------------

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on _____, 20____ and 20____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

<u>Bonds Maturing</u>	<u>1, 20</u>
<u>_____ Year (1)</u>	<u>Principal Amount</u>

<u>Bonds Maturing</u>	<u>1, 20</u>
<u>_____ Year (1)</u>	<u>Principal Amount</u>

* Final Maturity

In the event of any redemption of less than all outstanding Series 2016 A Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2016 A Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2016 A Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2016 A Bond or Series 2016 A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2016 A Bonds or portions of Series 2016 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2016 A Bonds or portions of Series 2016 A Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2016 A Bond.

The Series 2016 A Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds [and the Series 2016 D Bonds], all monies in the Series 2016 A Bonds Sinking Fund, and the Series 2016 A Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2016 A Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross

Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and said unexpended Series 2016 A Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2016 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2016 A Bonds, including the Prior Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds [and the Series 2016 D Bonds.] The Issuer has entered into certain further covenants with the registered owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2016 A Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Sewer Treatment Plant Project, capitalize the interest on the Series 2016 A Bonds for a period of _____, [pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of and interest on the Series 2016 A Bonds, [fund a reserve account for the Series 2016 A Bonds/pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy to fund the reserve account for the Series 2016 A Bonds] in amount equal to the Series 2016 A Bonds Reserve Requirement, and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2016 A Bonds of which this Series 2016 A Bond is one.

This Series 2016 A 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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2016 A Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2016 A Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN (West Virginia) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Series 2016 A Bond Date specified above.

[SEAL]

[Manual or facsimile signature]

Mayor

ATTEST:

[Manual or facsimile signature]

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: _____, 2016.

As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

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

Dated: _____, 20____.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

**THE CITY OF MORGANTOWN, WEST VIRGINIA
COMBINED UTILITY SYSTEM REVENUE BONDS,
SERIES 2016 A (TAX EXEMPT)**

BOND ORDINANCE

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EXHIBIT A – FORM OF SERIES 2016 A BONDS

Sewage Treatment Plant Upgrade Project

THE CITY OF MORGANTOWN, WEST VIRGINIA

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SANITARY SEWER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$30,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B (TAX EXEMPT-EXTRAORDINARY OPTIONAL CALL); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, The City of Morgantown (the "Issuer" or the "City") presently owns and operates, through The City of Morgantown Utility Board (the "Board"), a public combined waterworks, sewerage and stormwater system (collectively, the "System") and has heretofore financed the acquisition and construction of the System and certain additions, betterments and improvements thereto through the issuance of several series of bonds or refunding bonds, of which there are presently outstanding the Prior Bonds, as hereinafter defined.

WHEREAS, all of the Prior Bonds were issued pursuant to ordinances of the Issuer previously enacted (such ordinances, as so amended and supplemented, collectively herein called the "Prior Ordinances");

WHEREAS, under the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to acquire, construct and operate extensions, additions, betterments and improvements for the System;

WHEREAS, the Issuer has determined, and does hereby affirm, that the acquisition and construction of certain extensions, additions, betterments and improvements to the sanitary sewerage collection and treatment portion of the System (collectively, the “Sanitary Sewerage System”), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined that the aforementioned acquisition and construction of extensions, additions, betterments and improvements to the Sanitary Sewerage System (further defined herein as the “Sewer Treatment Plant Project”) should be financed, as provided under the Act, in whole or in part, from the proceeds of multiple series of combined utility system revenue bonds to be issued by the Issuer, to pay all or any portion of the costs thereof, as well as the costs of issuance of such bonds;

WHEREAS, the Issuer has determined to initially finance the costs of the Sewer Treatment Plant Project through the simultaneous issuance of three series of combined utility system revenue bonds designated, and in the not to exceed amounts, as follows:

The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 A (Tax Exempt), in the aggregate principal amount of not more than \$100,000,000 (the “Series 2016 A Bonds”);

The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 B (Tax Exempt – Extraordinary Optional Call), in the aggregate principal amount of not more than \$30,000,000 (the “Series 2016 B Bonds”); and

The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 C (CWSRF Program), in the aggregate principal amount of not more than \$10,000,000 (the “Series 2016 C Bonds,” and collectively with the Series 2016 A Bonds and the Series 2016 B Bonds, the “Sewer Treatment Plant Project Bonds”).

WHEREAS, the Issuer has determined to enact this Ordinance to authorize the issuance of the Series 2016 B Bonds (the “Series 2016 B Ordinance”), such Series 2016 B Bonds to have such security and such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, the Issuer is, simultaneously with the enactment of this Series 2016 B Ordinance, considering separate Ordinances to approve, respectively, the issuance of the Series 2016 A Bonds (the “Series 2016 A Ordinance”) and the Series 2016 C Bonds (the “Series 2016 C Ordinance” and, collectively with the Series 2016 A Ordinance and the Series 2016 C Ordinance, the “Sewer Treatment Plant Project Bond Ordinances”);

WHEREAS, the Issuer has determined that the design, acquisition and construction of certain extensions, betterments and improvements to the potable water raw water supply and storage, treatment, treated water storage and distribution system (the “Potable Water System”), specifically including, but not limited to, the design, acquisition

and construction of a new water reservoir and the installation of emergency generators to serve certain facilities in the Potable Water System, and all necessary appurtenances (collectively, the "Water Reservoir Project"), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined to finance all or a portion of the costs of the Water Reservoir Project through the issuance of its The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 D (Tax Exempt), in the aggregate principal amount of not more than \$40,000,000 (the "Series 2016 D Bonds"), to be issued either simultaneously with, or after, the issuance of the Sewer Treatment Plant Project Bonds, pursuant to an ordinance of the Issuer (the "Series 2016 D Ordinance") enacted simultaneously with the enactment of the Sewer Treatment Plant Project Bond Ordinances;

The Series 2016 B Bonds, the Series 2016 A Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds (collectively, the Series 2016 Bonds") will be issued on a parity with one another, the Prior Bonds, and any Additional Parity Bonds (as hereinafter defined) with respect to their lien on and security interest in the Gross Revenues of the System, and the Series 2016 B Bonds shall contain such other terms and provisions as are hereinafter provided, all in the manner set forth herein; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City that its Series 2016 B Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement, (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, hereinafter defined;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF MORGANTOWN HEREBY ORDAINS:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY, FINDINGS

Section 1.01. Definitions All capitalized terms used in this Ordinance and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2016 B Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

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

"Board" shall mean The City of Morgantown Utility Board, created by an ordinance of the Issuer, or any successor thereto, the authorized officer for which will be the Board's General Manager.

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

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

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

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2016 B Bonds, shall initially mean the bond insurer or bond insurers, if any, named in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Series 2016 B Bonds.

"Bond Year" means with respect to each series of Series 2016 B Bonds the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2016 B Bonds, the Series 2016 A Bonds, the Series 2016 C Bonds, the Series 2016 D Bonds, the Prior Bonds and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations, West Virginia banking corporations or the New York Stock Exchange are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2016 B Bonds in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2016 B BONDS," attached hereto.

"City" or "Issuer" means The City of Morgantown, a municipal corporation and political subdivision of the State of West Virginia, in Monongalia County thereof, and, where appropriate, the Council, the Board and any successor thereto.

"City Clerk" or "Clerk" means the City Clerk of the Issuer.

"City Manager" means the City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the original purchase price thereof.

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

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

"Consulting Engineers" means any independent qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Board as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation those costs set forth in Section 1.02C.

"Council" means the City Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"Debt Service" with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to the Bonds during such period.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"DTC" means The Depository Trust Company, New York, New York, or its successor thereof.

"DTC-eligible" means, with respect to the Series 2016 B Bonds, meeting the qualifications prescribed by DTC.

"Event of Default" means any occurrence or event specified in Section 7.01.

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

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

"Government Obligations" shall have the meaning set forth in the Supplemental Resolution.

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

"Independent Accountant" means the West Virginia State Tax Department or any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any purpose except keeping the accounts of said System in the normal operations of its business and affairs, and specifically shall not include any certified public accountant who is an employee of either the City or the Board.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on Bonds for the then current or any succeeding Fiscal Year.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Series 2016 B Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2016 B Bonds, in accordance with the terms thereof.

"Net Proceeds" means the face amount of the Series 2016 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and

less proceeds deposited in the Series 2016 B Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2016 B Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2016 B Bonds and is not acquired in order to carry out the governmental purpose of the Series 2016 B Bonds.

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

"Ordinance" or "Bond Ordinance" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by resolution.

"Original Purchaser" means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2016 B Bonds directly from the Issuer, as determined by a resolution supplemental hereto.

"Outstanding" when used with reference to the Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which monies, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders for the purpose of consents, notices and the like, any Bond registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means, initially, the West Virginia Municipal Bond Commission and any other paying agent for the Series 2016 B Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"Prior Bonds" means, collectively, the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2013 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds and Series 2015 E Bonds.

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

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Purchase Price" for the purpose of computation of the Yield of the Series 2016 B Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2016 B Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds of each maturity is sold or, if the Series 2016 B Bonds are privately placed, the price paid by the first buyer of the Series 2016 B Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2016 B Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2016 B Bonds.

"Qualified Investments" means and includes the investments set forth in the Supplemental Resolution and designated as such.

"Record Date" means the date or dates which shall be so stated in the Series 2016 B Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

"Redemption Price" means the price at which any of the Bonds may be called for redemption and includes the principal amount of the Bonds to be redeemed, plus the interest and the premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2016 B Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

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

"Sanitary Sewerage System" means, collectively, the sanitary sewerage collection and treatment portion of the System.

"Series 1995 Bonds" means the Combined Utility System Revenue Bonds, Series 1995 (West Virginia SRF Program), of the Issuer, dated April 27, 1995, issued in the original aggregate principal amount of \$1,601,477.

"Series 2000 A Bonds" means the Combined Utility System Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of \$7,842,000.

"Series 2000 B Bonds" means the Combined Utility System Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of \$2,488,000.

"Series 2001 A Bonds" means the Combined Utility System Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer, dated February 8, 2001, issued in the original aggregate principal amount of \$3,812,470.

"Series 2006 A Bonds" means the Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of \$6,410,191.

"Series 2007 A Bonds" means the Combined Utility System Revenue Bonds, Series 2007 A (West Virginia SRF Program), of the Issuer, dated August 14, 2007, issued in the original aggregate principal amount of \$8,500,000.

"Series 2010 A Bonds" means the Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$37,950,000.

"Series 2010 B Bonds" means the Combined Utility System Revenue Bonds, Series 2010 B (West Virginia SRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$81,600.

“Series 2010 C Bonds” means the Combined Utility System Revenue Bonds, Series 2010 C (West Virginia SRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$15,380,227.

“Series 2010 D Bonds” means the Combined Utility System Revenue Bonds, Series 2010 D (West Virginia DWTRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$9,317,286.

“Series 2010 E Bonds” means the Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$100,000.

“Series 2010 F Bonds” means the Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$7,250,000.

“Series 2012 A Bonds” means the Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, dated August 24, 2012, issued in the original aggregate principal amount of \$570,000.

“Series 2012 C Bonds” means the Combined Utility System Revenue Bonds, Series 2012 C (Bank Qualified), of the Issuer, dated October 5, 2012, issued in the original aggregate principal amount of \$2,330,000.

“Series 2013 A Bonds” means the Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated August 22, 2013, issued in the original aggregate principal amount of \$4,605,260.

“Series 2014 B Bonds” means the Combined Utility System Revenue Bonds, Series 2014 B, of the Issuer, dated July 13, 2014, issued in the original aggregate principal amount of \$505,421.

“Series 2015 A Bonds” means the Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of \$137,568..

“Series 2015 B Bonds” means the Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of \$4,586.

“Series 2015 C Bonds” means the Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of \$8,111,813.

“Series 2015 D Bonds” means the Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of \$1,688,394.

“Series 2015 E Bonds” means the Combined Utility System Revenue Bonds, Series 2015 E (West Virginia SRF Program), of the Issuer, dated June 11, 2015 issued in the original aggregate principal amount of \$662,300.

“Series 2016 Bonds” means collectively, the Series 2016 A Bonds, Series 2016 B Bonds, Series 2016 C Bonds and, if issued, the Series 2016 D Bonds,

“Series 2016 A Bonds” means the Combined Utility System Revenue Bonds, Series 2016 A (Tax Exempt), issued contemporaneously with the issuance of the Series 2016 B Bonds, in the aggregate principal amount of not more than \$100,000,000, the proceeds of which will be used to finance a portion of the costs of the Sewer Treatment Plant Project.

"Series 2016 B Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2016 B Bonds Construction Fund" means the Series 2016 B Bonds Construction Fund created by Section 4.01 hereof.

"Series 2016 B Bonds Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2016 B Bonds Redemption Account" means the Redemption Account created in the Series 2016 B Bonds Sinking Fund by Section 4.02 hereof.

"Series 2016 B Bonds Reserve Account" means the Series 2016 B Bonds Reserve Account created in the Series 2016 B Bonds Sinking Fund by Section 4.02 hereof.

"Series 2016 B Bonds Sinking Fund" means the Series 2016 B Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2016 B Bonds Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2016 B Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2016 B Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2016 B Bonds.

“Series 2016 C Bonds” means the Combined Utility System Revenue Bonds, Series 2016 C (CWSRF Program), issued contemporaneously with the issuance of the Series 2016 B Bonds, in the aggregate principal amount of not more than \$10,000,000, the

proceeds of which will be used to finance a portion of the costs of the Sewer Treatment Plant Project.

“Series 2016 D Bonds” means the Combined Utility System Revenue Bonds, Series 2016 D (Tax-Exempt), to be issued either simultaneously with, or after, the issuance of the Sewer Treatment Plant Project Bonds, in the aggregate principal amount of not more than \$40,000,000, the proceeds of which will be used to finance the costs of the Water Reservoir Project.

“Sewer Treatment Plant Project” means, collectively, the acquisition and construction of certain additions, betterments and improvements to the System, including the design, acquisition and construction of improvements to the wastewater treatment plant located in Star City which is part of the Sanitary Sewer System.

“Sewer Treatment Plant Project Bonds” means, collectively, the Series 2016 B Bonds, the Series 2016 A Bonds and the Series 2016 C Bonds.

“Sewer Treatment Plant Project Bond Ordinances” mean, collectively, the ordinances authorizing the Sewer Treatment Plant Project Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Bond Insurer provisions (if any) and other terms of the Series 2016 B Bonds and authorizing the sale of the Series 2016 B Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

“Surplus Revenues” means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2016 Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

"System" means the complete existing combined municipal waterworks, sewerage and stormwater system of the Issuer, as presently existing in its entirety or any integral part thereof and shall include the Sewer Treatment Plant Project and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for said municipal waterworks, sewerage and stormwater system from any sources whatsoever, both within and without the Issuer.

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

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

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The Issuer is a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State.

B. The Issuer presently owns and operates, through the Board, a public combined waterworks, sewerage, and stormwater system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the water environment of the City and specifically of the Sewer Treatment Plant Project area, that there be acquired and constructed certain extensions, additions, betterments and improvements to the System, specifically including, but not limited to, the rehabilitation and improvement of the wastewater treatment plant located in Star City, and all necessary appurtenances; (collectively, the "Sewer Treatment Plant Project") in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications are on file with the Board.

C. It is deemed necessary for the Issuer to issue its Combined Utility System Revenue Bonds, Series 2016 B, in the aggregate principal amount of not more than \$30,000,000, to permanently finance a portion of the costs of acquisition and construction of the Sewage Treatment Plant Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2016 B Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Sewer Treatment Plant Project; amounts which may be deposited in the Series 2016 B Bonds Reserve Account; underwriter's discount, engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other

expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; premiums for municipal bond insurance policy, debt service reserve account insurance policy or debt service reserve account surety bond; letter of credit fees; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2016 B Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the acquisition and construction of the Sewage Treatment Plant Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2016 B Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Sewage Treatment Plant Project, as hereinafter defined.

D. The period of usefulness of the System after completion of the Sewage Treatment Plant Project is not less than 30 years.

E. It is in the best interests of the Issuer that the Series 2016 B Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by supplemental resolution of the Issuer.

F. There are or will be outstanding obligations of the Issuer which will rank on a parity with the Series 2016 B Bonds as to liens, pledge, source of and security for payment, being the Issuer's Prior Bonds, and the Issuer's Series 2016 B Bonds and Series 2016 C Bonds, to be issued contemporaneously with the issuance of the Series 2016 B Bonds, and the Issuer's Series 2016 D Bonds, which will be issued either contemporaneously with, or after, the issuance of the Series 2016 B Bonds.

Prior to the issuance of the Series 2016 Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds and Series 2015 E Bonds to the issuance of the Series 2016 Bonds on a parity with the Series 1992 Bonds, Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds. The Series 2010 A Bonds, Series 2010 F Bonds, Series 2012 C Bonds and Series 2014 B Bonds do not require written consent from the holders thereof. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

G. The Issuer intends to issue the Series 2016 B Bonds and to pledge for payment thereof, from the Gross Revenues of the System, on a parity with one another and on a parity with such pledge in favor of the Holders of the Series 2016 A Bonds, the Series 2016 C Bonds, the Series 2016 D Bonds, and the Prior Bonds.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, to provide for the repair, maintenance and operation of the System, to pay the Series 2016 Bonds and the Prior Bonds, to pay the principal on the Series 2016 Bonds and the Prior Bonds as and when it becomes due and reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2016 B Bonds, and secure the Series 2016 B Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the System, the monies in the Series 2016 B Bonds Sinking Fund, including the Series 2016 B Bonds Reserve Account therein, unexpended proceeds of the Series 2016 B Bonds and as further set forth herein.

J. The Series 2016 B Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A – FORM OF SERIES 2016 B BONDS attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K. All things necessary to make the Series 2016 B Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2016 B Bonds, will be timely done and duly performed.

L. The enactment of this Ordinance, the execution and issuance of the Series 2016 B Bonds and the amendment, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. Prior to construction, the Issuer will have complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Water Reservoir Project and the System and issuance of the Series 2016 B Bonds including but not limited to Chapter 24, Article 2, Paragraph 11 (l).

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2016 B Bonds by those who shall own or hold the same from time

to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Series 2016 B Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2016 B Bond and any other Series 2016 B Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION OF ACQUISITION AND
CONSTRUCTION OF THE SEWER TREATMENT PLANT PROJECT

Section 2.01 Authorization of Acquisition and Construction of the Sewer Treatment Plant Project. There is hereby authorized and ordered the acquisition and construction of the Sewer Treatment Plant Project, at an estimated cost of not more than \$140,000,000, of which up to \$30,000,000 will be obtained from the proceeds of the Series 2016 B Bonds, up to \$100,000,000 will be obtained from the proceeds of the sale of the Series 2016 A Bonds and up to \$10,000,000 will be obtained from the proceeds of the sale of the Series 2016 C Bonds.

ARTICLE III
THE SERIES 2016 B BONDS

Section 3.01 Form and Payment of Bonds. No Series 2016 B Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2016 B Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2016 B Bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof for any year of maturity. All Series 2016 B Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2016 B Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2016 B Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2016 B Bonds shall be in default, Bonds issued in exchange for Series 2016 B Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2016 B Bonds surrendered.

The principal of and the premium, if any, on the Series 2016 B Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2016 B Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of \$1,000,000 or more of

the Series 2016 B Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2016 B Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Series 2016 B Bond in the principal amount of said 2016 B Bond then Outstanding.

Section 3.02. Execution of Bonds. The Series 2016 B Bonds shall be executed in the name of the Issuer by the Mayor, by his or her manual or facsimile signatures, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2016 B Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2016 B Bonds be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2016 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2016 B Bond, substantially in the form set forth in EXHIBIT A – FORM OF SERIES 2016 B BONDS attached hereto and incorporated herein by reference with respect to the Series 2016 B Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2016 B Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2016 B Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2016 B Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2016 B Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2016 B Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2016 B Bonds. The Series 2016 B Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2016 B Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2016 B Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2016 B Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2016 B Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2016 B Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2016 B Bonds, the Registrar may impose a service charge. For every such transfer or exchange of Series 2016 B Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2016 B Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016 B Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2016 B Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Bond shall have matured or be about to

mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Bonds be at any time found by any one, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued as part of the Series 2016 B Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2016 B Bonds Redemption Account in accordance with Section 4.03 shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2016 B Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

2. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

3. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2016 B Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2016 B Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2016 B Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of \$5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2016 B Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer and the registered owner of the Series 2016 B Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2016 B Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

All official notices of redemption shall be dated and shall state:

- (1) The Redemption Date,
- (2) The Redemption Price,
- (3) If less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof

called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar, and

(6) Such other information, if any, as shall be required for DTC-Eligible Bonds.

If funds sufficient to redeem all Series 2016 B Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2016 B Bonds called for redemption of such fact.

Official notice of redemption having been given as aforesaid, the Series 2016 B Bonds, or portions of the Series 2016 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2016 B Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such Bond. All Series 2016 B Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2016 B Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with

appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 2016 B Bonds. For the purposes of paying a portion of the costs of the Sewage Treatment Plant Project, capitalizing interest on the Series 2016 B Bonds, paying the premium for a municipal bond insurance policy, funding the Series 2016 B Bonds Reserve Account with proceeds of the Series 2016 B Bonds or paying the premium for a municipal bond debt service reserve insurance policy, in a amount equal to the Series 2016 B Bonds Debt Service Reserve Requirement and paying costs in connection with the issuance of the Series 2016 B Bonds, there shall be issued the Series 2016 B Bonds of the Issuer, in an aggregate principal amount of not more than \$30,000,000. Said Series 2016 B Bonds shall be designated "Combined Utility System Revenue Bonds, Series 2016 B (Tax Exempt)" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in one or more Supplemental Resolution(s), and shall be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2016 B Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2016 B Bonds shall be numbered from BR-1 consecutively upward. The Series 2016 B Bonds shall be dated; shall be in such aggregate principal amount (not to exceed \$30,000,000); shall bear interest at such rate or rates, (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 35 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2016 B Bonds. A. The Series 2016 B Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2016 B Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2016 B Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2016 B Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2016 B Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2016 B Bond or any other evidence of ownership of the Series 2016 B Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2016 B Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2016 B Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2016 B Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2016 B Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2016 B Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2016 B Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2016 B Bonds so redeemed, but DTC may retain such Series 2016 B Bonds and make an appropriate notation on the Series 2016 B Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2016 B Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2016 B Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2016 B Bonds, selecting the Series 2016 B Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2016 B Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2016 B Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2016 B Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2016 B Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2016 B Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2016 B Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2016 B Bonds; or (ii) the Issuer determines that

continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2016 B Bonds. In either of such events (unless in the case described in clause (iii) above, the Issuer appoints a successor securities depository), the Series 2016 B Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2016 B Bonds.

Section 3.12. Delivery of Series 2016 B Bonds. A. The Issuer shall execute and deliver the Series 2016 B Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2016 B Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2016 B Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2016 B Bonds to DTC for the benefit of the Original Purchaser;

(3) Copies, certified by the City Clerk, of this Ordinance and the Supplemental Resolution;

(4) The unqualified approving opinion upon the Series 2016 B Bonds by Bond Counsel; and

(5) Such other opinions, certificates and documents as shall be reasonably requested by the Original Purchaser.

Section 3.13. Form of Series 2016 B Bonds. The definitive Series 2016 B Bonds shall be in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2016 B BONDS attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2016 B Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2016 B Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2016 B Bonds. Upon the issuance and delivery of the Series 2016 B Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2016 B Bonds from the date thereof to the date of delivery thereof, if any, shall be deposited in the Series 2016 B Bonds Sinking Fund and applied to payment of interest on the Series 2016 B Bonds at the first interest payment date.

2. if a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2016 B Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer.

3. An amount of the proceeds of the Series 2016 B Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2016 B Bonds Reserve Account; provided, that to the extent the Series 2016 B Bonds Reserve Requirement is satisfied in whole or in part from a municipal bond debt serve reserve insurance policy, letter of credit, surety bond or other credit facility, proceeds of the Series 2016 B Bonds shall be deposited in the Series 2016 B Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2016 B Bonds Reserve Requirement.

4. The amount of Series 2016 B Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2016 B Bonds shall be deposited with the Depository Bank in the Series 2016 B Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2016 B Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2016 B Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2016 B Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2016 B Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2016 B Bonds from which such proceeds are derived.

5. The balance of Series 2016 B Bonds proceeds, if any, shall be deposited in the Series 2016 B Bonds Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Series 2016 B Bonds Construction Fund. Disbursements from the Series 2016 B Bonds Construction Fund, except for payment of Costs of Issuance of the Series 2016 B Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Utility, shall be made only for design, acquisition and construction of capital improvements, repairs and replacements for the Sewer Treatment Plant Project, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2016

B Bonds Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Utility.

ARTICLE IV
SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other (except as set forth in this Section 4.01), and used solely for the purposes provided herein:

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Depreciation Fund (established by the Prior Ordinances);
- (3) Operation and Maintenance Fund (established by the Prior Ordinances); and
- (4) Series 2016 B Bonds Construction Fund.

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

- (1) Series 1992 Bonds Sinking Fund (established by Prior Ordinances);
- (2) Series 1992 Bonds Reserve Account established by Prior Ordinances);
- (3) Series 1995 Bonds Sinking Fund (established by Prior Ordinances);
- (4) Series 1995 Bonds Reserve Account established by Prior Ordinances);
- (5) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);
- (6) Series 2000 A Bonds Reserve Account established by Prior Ordinances);

- (7) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances);
- (8) Series 2000 B Bonds Reserve Account established by Prior Ordinances);
- (9) Series 2001 A Bonds Sinking Fund (established by Prior Ordinances);
- (10) Series 2001 A Bonds Reserve Account established by Prior Ordinances);
- (11) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);
- (12) Series 2006 A Bonds Reserve Account established by Prior Ordinances);
- (13) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);
- (14) Series 2007 A Bonds Reserve Account established by Prior Ordinances);
- (15) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);
- (16) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);
- (17) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);
- (18) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);
- (19) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);
- (20) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);
- (21) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);

- (22) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);
- (23) Series 2010 F Bonds Sinking Fund (established by Prior Ordinances);
- (24) Series 2010 F Bonds Reserve Account (established by Prior Ordinances);
- (25) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);
- (26) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);
- (29) Series 2012 C Bonds Sinking Fund (established by Prior Ordinances);
- (30) Series 2012 C Bonds Reserve Account (established by Prior Ordinances);
- (27) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);
- (28) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);
- (29) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances);
- (30) Series 2014 B Bonds Reserve Account (established by Prior Ordinances);
- (31) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances);
- (32) Series 2015 A Bonds Reserve Account (established by Prior Ordinances);
- (33) Series 2015 B Bonds Sinking Fund (established by Prior Ordinances);
- (34) Series 2015 B Bonds Reserve Account (established by Prior Ordinances);

- (35) Series 2015 C Bonds Sinking Fund (established by Prior Ordinances);
- (36) Series 2015 C Bonds Reserve Account (established by Prior Ordinances);
- (35) Series 2015 D Bonds Sinking Fund (established by Prior Ordinances);
- (36) Series 2015 D Bonds Reserve Account (established by Prior Ordinances);
- (37) Series 2015 E Bonds Sinking Fund (established by Prior Ordinances);
- (38) Series 2015 E Bonds Reserve Account (established by Prior Ordinances);
- (39) Series 2016 A Bonds Sinking Fund (established by Sewer Treatment Plant Project Bond Ordinances);
- (40) Series 2016 A Bonds Reserve Account (established by Sewer Treatment Plant Project Bond Ordinances);
- (41) Series 2016 C Bonds Sinking Fund (established by Sewer Treatment Plant Project Bond Ordinances);
- (42) Series 2016 C Bonds Reserve Account (established by Sewer Treatment Plant Project Bond Ordinances);
- (43) Series 2016 B Bonds Sinking Fund; and
- (44) Series 2016 B Bonds Reserve Account

Section 4.03. System Revenues and Application Thereof. So long as any of the Series 2016 B Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Bond Commission (i) the amounts required

by the Prior Ordinances to for payment of interest on the Series 1995 Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2014 B Bonds, Series 2015 A Bonds; (ii) the amounts required by the ordinances authorizing the Series 2016 A Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds to be deposited into the respective sinking funds for the payment of interest on the Series 2016 A Bonds, Series 2016 C Bonds and Series 2016 D Bonds; and (iii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2016 B Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2016 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2016 B Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2016 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2016 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2016 B Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2016 B Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2016 B Bonds Sinking Fund.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Prior Bonds Sinking Funds for payment of principal on the Prior Bonds; (ii) the amounts required by the ordinances authorizing the Series 2016 A Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds to be deposited into the respective sinking funds for the payment of principal on the Series 2016 A Bonds, Series 2016 C Bonds and Series 2016 D Bonds; and (iii) for deposit in the Series 2016 B Bonds Sinking Fund (and in the Series 2016 B Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2016 B Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2016 B Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2016 B Bonds on the next ensuing principal payment or mandatory Redemption Date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2016 B Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2016 B Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2016 B Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Prior Bonds Reserve Accounts for the Prior Bonds; (ii) the amounts required by the ordinances authorizing the Series 2016 A Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds to be deposited into the respective reserve accounts for the Series 2016 A Bonds, Series 2016 C Bonds and Series 2016 D Bonds; and (iii) commencing 13 months prior to the first date of payment of principal of the Series 2016 B Bonds or upon completion of construction of the Sewer Treatment Plant Project, whichever is earlier, if not fully funded upon issuance of the Series 2016 B Bonds, for deposit in the Series 2016 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2016 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2016 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2016 B Bonds Reserve Requirement; provided further, that if the amounts in the Series 2016 B Bonds Reserve Account, as a result of a decrease in value of the Series 2016 B Bonds Reserve Account below the Series 2016 B Bonds Reserve Account Requirement or any withdrawal from the Series 2016 B Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2016 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (i) the valuation of investments in the Series 2016 B Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2016 B Bonds Reserve Account is less than the Series 2016 B Bond Reserve Account Requirement, or (ii) any amount is withdrawn from the Series 2016 B Bonds Reserve Account for deposit into the Series 2016 B Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2016 B Bonds Reserve Account to an amount equal to the Series 2016 B Bond Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2016 B Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2016 B Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2016 B Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2016 B Bond Reserve Account Requirement.

Amounts in the Series 2016 B Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2016 B Bonds when due, when amounts in the Series 2016 B Bonds Sinking Fund are insufficient therefor and for no other purpose.

(4) The Issuer shall next, each month, transfer from the Revenue Fund an amount sufficient to pay current Operating Expenses of the System.

(5) The Issuer shall next, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2.5% 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. Subject to the restrictions contained in the Prior Ordinances, so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, or improvements or extensions to the System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) 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.

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2016 B Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2016 B Bonds, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. The monies on deposit in the Revenue Fund and the Renewal and Replacement Fund in excess of the sum insured by the FDIC shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of municipal funds under the laws of the State.

D. Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2016 A Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds, all in accordance with the respective principal amounts then Outstanding.

ARTICLE V
INVESTMENTS; NON-ARBITRAGE;
REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer, through the Board, shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall, through the Board, 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 Issuer, through the Board, may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section (unless otherwise required by the Bond Insurer and as set forth in the Supplemental Resolution):

(A) Qualified Investments acquired for the Series 2016 B Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer, through the Board, shall, or shall cause the Bond Commission to, annually transfer from the Series 2016 B Bonds Reserve Account to the Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2016 B Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2016 B Bonds Reserve Account an amount at least equal to the Series 2016 B Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2016 B Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2016 B Bonds Reserve Account shall, at any time, be less than the applicable Series 2016 B Bonds Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.03(3).

(E) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2016 B Bonds, as appropriate, and invested only in Government Obligations maturing at such times

and in such amounts as are necessary to match the interest payments to which they are pledged.

(F) Notwithstanding the foregoing, all monies deposited in the Series 2016 B Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the Issuer hereby instructs the Mayor to take all actions necessary for the Issuer to comply with the continuing disclosure agreement.

Section 5.03. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2016 B Bonds in such manner and to such extent as may be necessary, so that such Series 2016 B Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Bonds) so that the interest on the Series 2016 B Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.04. Tax Certificate, Rebates, and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2016 B Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there

are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefore. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.04. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.04 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2016 B Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2016 B Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2016 B Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Series 2016 B Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the System, the monies in the Series 2016 B Bonds Sinking Fund and all accounts therein, the unexpended proceeds of the Series 2016 B Bonds or monies in a construction fund, if any, all as herein provided. No Holder or Holders of any Series 2016 B Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2016 B Bonds or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Gross Revenues and Monies in Sinking Fund. The payment of the debt service of all of the Series 2016 B Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System on a parity with one another and with

the lien on the Gross Revenues in favor of the Holders of the Prior Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds, and, in the instance of the Series 2016 B Bonds, all monies and securities in the Series 2016 B Sinking Fund, including the Series 2016 B Bonds Reserve Account therein, to the extent necessary to make the payments required under Section 4.03. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, the Series 2016 A Bonds, the Series 2016 C Bonds, the Series 2016 D Bonds and the Series 2016 B Bonds herein authorized, and to make the payments into the Series 2016 B Bonds Sinking Fund, all monies and securities in the Series 2016 B Bonds Sinking Fund, including the Series 2016 B Bonds Reserve Account therein.

Section 6.04. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law. Copies of such rates and charges so established may be obtained from the Board by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2016 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2016 B Bonds, including the Prior Bonds, the Series 2016 B Bond, the Series 2016 C Bonds and the Series 2016 D Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 120 days following a determination of the Independent Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

The Issuer expressly reserves the right to reduce the rates for the System in effect as of the date of issuance of the Series 2016 B Bonds in the event that, based on a certificate of an Independent Certified Public Accountant, even after any such decrease in rates, the Issuer will meet the requirements of the Section 6.04 and is not in default under any other provision of any ordinance authorizing in bonds or other indebtedness secured by the Gross Revenues of the System.

Section 6.05. Completion of Sewer Treatment Plant Project; Operation and Maintenance. The Issuer will complete the Sewer Treatment Plant Project as promptly as possible. The Issuer will maintain the System in good condition and will operate the same

as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of said System in the manner provided in this Ordinance.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Sewer Treatment Plant Project.

Section 6.06. 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 by the Prior Ordinances. Additionally, so long as the Series 2016 B Bonds are Outstanding, the System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the Series 2016 B Bonds Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Revenues of the System.

The foregoing provision notwithstanding, the Board 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 is not in excess of \$1,000,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be used for any lawful purpose of the System. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of \$1,000,000 but not in excess of \$5,000,000, the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of \$1,000,000 and not in excess of \$5,000,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

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 shall be in excess of \$5,000,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of any applicable Bond

Insurer and the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer and the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, 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 the Gross Revenues with the Series 2016 B Bonds; and all obligations hereafter issued by the Issuer payable from the revenues of the System, except such Additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Series 2016 B Bonds.

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, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2016 B Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2016 B Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds, Series 2016 A Bonds, Series 2016 C Bonds or Series 2016 D Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Ordinances authorizing such bonds shall be applicable. In addition, no Additional Parity Bonds, as in this section defined, payable out of the revenues of the System shall be issued after the issuance of the Series 2016 B Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, betterments or improvements for the System, refunding all or a portion of one or more series of the Series 2016 B Bonds issued pursuant hereto, the Series 2016 A Bonds, the Series 2016 C Bonds, the Series 2016 D Bonds or the Prior Bonds, refunding all or a portion of any series of any Additional Parity Bonds hereinafter issued, paying claims which may exist against the revenues or facilities of the System, or all of such purposes.

No such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Certified Public Accountant, 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 Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the date of issuance of such Additional

Parity Bonds, shall be not less than 115% of the Maximum Annual Debt Service on the following:

- (1) The Series 2016 B Bonds then Outstanding;
- (2) The Prior Bonds, the Series 2016 A Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds Outstanding;
- (3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and
- (4) The Additional 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 Additional 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 issuance of such Additional 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 Accountant, 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 Additional Parity Bonds.

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Gross Revenues of the System on a parity with the Series 2016 B Bonds and the Prior Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2016 B Bonds, the Series 2016 A Bonds, the Series 2016 C Bonds, the Series 2016 D Bonds and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross 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 Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the System of which is subject to the prior and superior lien

of the Bonds on such Gross Revenues. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Revenues with the Series 2016 B Bonds except in the manner and under the conditions provided in this section.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in the Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2016 B Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Board and the Issuer during construction of the Sewer Treatment Plant Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the Board from claims for bodily injury and/or death and 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 and the Board from claims arising out of operation or ownership of motor vehicles of or for the System; provided, that the Board, with the review of an independent insurance consultant and the concurrence of the Issuer, may elect to self-insure.

If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other municipal water and sewer systems of similar size and type in the State to the extent that such information is

available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

C. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the County Commission of Monongalia County prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

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

The Issuer shall require all contractors engaged in the construction of the Sewer Treatment Plant 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 Sewer Treatment Plant Project covered by the particular contract as security for the faithful performance of such contract.

The Issuer shall also require all contractors engaged in the construction of the Sewer Treatment Plant Project to carry such workers' compensation coverage for all employees working on the Sewer Treatment Plant 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 Sewer Treatment Plant Project.

Section 6.10. Services Rendered to the Board or Issuer. The Board will not render or cause to be rendered any free services of any nature by its System; and, in the event the Board, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself 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 Board, the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and

the Board or the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.11. Enforcement of Collections. The Issuer shall, through the Board 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 Public Service Commission of West Virginia and other laws of the State of West Virginia.

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Books and Records. The Board will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Series 2016 B Bond, shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Board relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Board. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Board. The Board 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 Board shall be reported to such agent of the Board as it shall direct.

The Issuer or the Board shall, at least once a year, cause the books, records and accounts of the System to be completely audited by an Independent Accountant.

Section 6.14. Operating Budget. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by the charter of the Issuer, 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.

Section 6.15. Mandatory Connections. The mandatory use of the sewerage portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer, and in order to assure the rendering harmless of sewage and waterborne waste matter produced or arising within the territory served by the sewerage portion of the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sewerage portion of the System.

Any such house, dwelling or building from which emanates sewage or waterborne waste matter and which is not so connected with the sewerage portion of the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the residents of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2016 B Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2016 B Bonds and shall be on a parity with one another and with the statutory mortgage lien in favor of the Holders of the Prior Bonds, the Series 2016 A Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds.

Section 6.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2016 B Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2016 B Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2016 B Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2016 B Bonds during the terms thereof is, under the terms of such Series 2016 B Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2016 B Bonds used for a Private Business Use shall be used for a Private Business Use related to the

governmental use of the System, or if the Series 2016 B Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2016 B Bonds or \$5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2016 B Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2016 B Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2016 B Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. Without limiting the generality of the foregoing, the Issuer agrees to comply with the provisions of the Tax Certificate, which are hereby incorporated herein. This covenant shall survive payment in full or defeasance of the Series 2016 B Bonds.

Section 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer intends to obtain Municipal Bond Insurance Policies for the Series 2016 B Bonds. In the event such Municipal Bond Insurance Policies are obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2016 B Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2016 B Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

Section 6.19. Covenants Regarding the Municipal Bond Debt Service Reserve Insurance Policy. The Issuer intends to obtain a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2016 B Bonds Debt Service Reserve Account. In the event such Municipal Bond Debt Service Reserve Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2016 B Bonds, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

Section 6.20. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser, the form of which shall be approved by the Supplemental Resolution, sufficient to ensure compliance with Rule 15c2-12, as it may be amended from time to time, and the Mayor is authorized and directed to execute and deliver such Continuing Disclosure Agreement on behalf of the Issuer, with such changes as the Mayor shall approve, such approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by the Mayor. The Mayor and Clerk are further authorized to take all actions necessary for the Issuer to comply with the Continuing Disclosure Agreement.

Section 6.21 Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2016 B Bonds shall be and the same is hereby approved. The form of the Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Mayor is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2016 B Bonds and as the Mayor may approve (the "Official Statement"). The execution of the Official Statement by the Mayor shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.22. Bond Purchase Agreement. The Series 2016 B Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2016 B Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2016 B Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Series 2016 B Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Insurer; or

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

(D) If default occurs with respect to the Prior Bonds or the Prior Ordinances, or the Series 2016 A Bonds, the Series 2016 C Bonds or the Series 2016 D Bonds or the ordinances authorizing such bonds.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder (with the prior written consent of the applicable Bond Insurer) or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Series 2016 B Bonds, as applicable;

(D) 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 Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute, all pro rata, with respect to the Prior Bonds and the Series 2016 Bonds, in accordance with the respective principal amounts then Outstanding.

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

No waiver of any default or Event of Default hereunder by the Bondholders shall be made without the prior written consent of the applicable Bond Insurer or shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer 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 on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Series 2016 B Bonds, and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Series 2016 B Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts 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 Ordinance shall have been cured and made good, and all monies due hereunder or under any Supplemental Resolution have been paid in full, 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 Bondholder 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, 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 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 the Holders of the Series 2016 B Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and the Bondholders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2016 B Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2016 B Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2016 B Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2016 B Bonds, the first exchange of Series 2016 B Bonds and the

exchange of Series 2016 B Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2016 B Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2016 B Bonds, or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2016 B Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately; provided, that in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer or by the Holders of a majority in principal amount of the Series 2016 B Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the applicable Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided, that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2016 B Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such

appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Series 2016 B Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The West Virginia Municipal Bond Commission shall initially serve as Paying Agent. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2016 B Bond shall be and remain DTC-Eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from monies available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All monies received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2016 B Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Gross Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2016 B Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2016 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or

said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X **MISCELLANEOUS**

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2016 B Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2016 B Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Bondholder or other person, be amended, modified or supplemented in any manner which, in the opinion of Bond Counsel, does not materially adversely affect the interests of the Bondholders or any Bond Insurer, provided, that in the event any of the Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Series 2016 B Bonds then Outstanding and affected thereby and the Bond Insurer, which must be filed with the Clerk of the Issuer before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Series 2016 B Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any

such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Series 2016 B Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Series 2016 B Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Series 2016 B Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Series 2016 B Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2016 B Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

CITY

The City of Morgantown
389 Spruce Street
Morgantown, West Virginia 26505
Attention: City Manager

REGISTRAR

[Name(s) and address(s) to be set forth in Supplemental Resolution]

PAYING AGENT

West Virginia Municipal Bond Commission
900 Pennsylvania Avenue
Suite 1117
Charleston, West Virginia 25302
Attn: Executive Director

DEPOSITORY BANK

[Name(s) and address(s) to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER

[Name(s) and address(s) to be set forth in Supplemental Resolution]

BOND INSURER

[Name(s) and address(es) to be set forth in the Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Council, the Board or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2016 B Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2016 B Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2016 B Bonds, the Bond Insurer and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headlines. 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 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Dominion Post*, a newspaper published and having a general circulation in The City of Morgantown, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the

issuance of the Series 2016 B Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 2nd day of February, 2016, at 7:00 p.m., in the Council Chambers of the City Hall, Morgantown and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

[Remainder of Page Intentionally Blank]

Section 10.14. Effective Date. This Ordinance shall become effective following public hearing hereon in accordance with the Act.

First Reading: January 5, 2016

Second Reading: January 19, 2016

Effective following
Public Hearing held on: February 2, 2016

THE CITY OF MORGANTOWN

Mayor

[SEAL]

ATTEST:

City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of THE CITY OF MORGANTOWN at a regular meeting of the City Council held on February 2, 2016, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in The City of Morgantown, the first publication having been not less than 10 days prior to such public hearing.

Dated this ____ day of _____, 2016.

[SEAL]

City Clerk

EXHIBIT A – FORM OF SERIES 2016 B BONDS

[DTC Legend]

No. BR- _____

\$ _____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B

INTEREST RATE: MATURITY DATE:

BOND DATE:

CUSIP:

_____ %

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and

payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$ _____ designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2016 B" (the "Series 2016 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2016, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to finance the cost of acquisition and construction of Sewer Treatment Plant Project: [(ii) to capitalize interest on the Series 2016 B Bonds;] [(iii) pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2016 B Bonds;] [(iv) to fund a reserve account for the Series 2016 B Bonds/to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2016 B Bonds] in an amount equal to the Series 2016 B Bonds Reserve Requirement; and (v) to pay certain costs of issuance of the Series 2016 B Bonds and related costs. The Series 2016 B Bonds are issued under the authority of and in full compliance with the Constitution and statute of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on _____, 2016, and supplemented by a supplemental resolution adopted by said Council on _____, 2016 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed

counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

[The Series 2016 B Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Bond Insurer].]

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

(1) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 1995 (WEST VIRGINIA SRF PROGRAM), DATED APRIL 27, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,601,477 (THE "SERIES 1995 BONDS");

(2) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,842,000 (THE "SERIES 2000 A BONDS");

(3) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,488,000 (THE "SERIES 2000 B BONDS");

(4) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 8, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,812,470 (THE "SERIES 2001 A BONDS");

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$6,410,191 (THE "SERIES 2006 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,500,000 (THE "SERIES 2007 A BONDS");

(7) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$37,950,000 (THE "SERIES 2010 A BONDS");

(8) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$81,600 (THE "SERIES 2010 B BONDS");

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$15,380,227 (THE "SERIES 2010 C BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,317,286 (THE "SERIES 2010 D BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 E (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 E BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF \$7,250,000 (THE "SERIES 2010 F BONDS");

(13) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$570,000 (THE "SERIES 2012 A BONDS");

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 C (BANK QUALIFIED), DATED OCTOBER 5, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,330,000 (THE "SERIES 2012 C BONDS");

(15) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,605,260 (THE "SERIES 2013 A BONDS");

(16) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$505,421 (THE "SERIES 2014 B BONDS");

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015,

ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$137,568 (THE “SERIES 2015 A BONDS”);

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,586 (THE “SERIES 2015 B BONDS”);

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 C (WEST VIRGINIA SRF PROGRAM), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,111,813 (THE “SERIES 2015 C BONDS”);

(20) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D (WEST VIRGINIA SRF PROGRAM), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,688,394 (THE “SERIES 2015 D BONDS”);

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 E (WEST VIRGINIA SRF PROGRAM), DATED JUNE 11, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$662,300 (THE “SERIES 2015 E BONDS”), (COLLECTIVELY, THE “PRIOR BONDS”);

(22) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A (TAX-EXEMPT), DATED _____, 2016, ISSUED SIMULTANEOUSLY HEREWITH, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE “SERIES 2016 A BONDS”);

(23) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 C (WEST VIRGINIA SRF PROGRAM), DATED _____, 2016, ISSUED SIMULTANEOUSLY HEREWITH, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE “SERIES 2016 C BONDS”); AND

(24) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 D (TAX-EXEMPT), DATED _____, 2016, ISSUED SIMULTANEOUSLY HEREWITH, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE “SERIES 2016 D BONDS”).

The Series 2016 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on and after _____, 20____, are subject to redemption prior to maturity at the option of the Issuer on or after _____, 20____, in whole at any time and in part on any Interest Payment Date,

as directed by the Issuer, in reverse order of maturity and by lot within a maturity, at the following Redemption Prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

<u>Period During Which Redeemed</u> <u>(Dates Inclusive)</u>	<u>Redemption</u> <u>Price</u>
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_____(B) Mandatory Sinking Fund Redemption. The Bonds maturing on _____, 20____ and 20_____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

<u>Bonds Maturing</u> _____	<u>1, 20</u>
_____ <u>Year (</u> _____ <u>)</u>	<u>Principal Amount</u>

<u>Bonds Maturing</u> _____	<u>1, 20</u>
_____ <u>Year (</u> _____ <u>)</u>	<u>Principal Amount</u>

* Final Maturity

In the event of any redemption of less than all outstanding Series 2016 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2016 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 B Bonds are to be redeemed, the Series 2016 B Bonds to be redeemed shall

be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2016 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2016 B Bond or Series 2016 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2016 B Bonds or portions of Series 2016 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2016 B Bonds or portions of Series 2016 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2016 B Bond.

The Series 2016 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds [and the Series 2016 D Bonds], all monies in the Series 2016 B Bonds Sinking Fund, and the Series 2016 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2016 B Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2016 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2016 B Bonds Sinking Fund and the Series 2016 B Bonds Reserve Account and said unexpended Series 2016 B Bond proceeds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2016 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2016 B Bonds, including the Prior Bonds, the Series 2016 A Bonds, the Series 2016 C Bonds [and the Series 2016 D Bonds.] The Issuer has entered into certain further covenants with the registered owners of the Series 2016 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered

owners of the Series 2016 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Sewer Treatment Plant Project, capitalize the interest on the Series 2016 B Bonds for a period of _____, [pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of and interest on the Series 2016 B Bonds, [fund a reserve account for the Series 2016 B Bonds/pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy to fund the reserve account for the Series 2016 B Bonds] in amount equal to the Series 2016 B Bonds Reserve Requirement, and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2016 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2016 B Bonds of which this Series 2016 B Bond is one.

This Series 2016 B 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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2016 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2016 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2016 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2016 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN (West Virginia) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 B Bond to be dated as of the Series 2016 B Bond Date specified above.

[SEAL]

[Manual or facsimile signature]

Mayor

ATTEST:

[Manual or facsimile signature]

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 B Bond is one of the fully registered Series 2016 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 B Bonds.

Dated: _____, 2016.

As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

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

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

**THE CITY OF MORGANTOWN, WEST VIRGINIA
COMBINED UTILITY SYSTEM REVENUE BONDS,
SERIES 2016 B (TAX EXEMPT)**

BOND ORDINANCE

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BOND ORDINANCE
THE CITY OF MORGANTOWN

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SANITARY SEWER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$10,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 C (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, The City of Morgantown (the "Issuer" or the "City") presently owns and operates, through The City of Morgantown Utility Board (the "Board"), a public combined waterworks, sanitary sewerage and stormwater system (collectively, the "System") and has heretofore financed the acquisition and construction of the System and certain additions, betterments and improvements thereto through the issuance of several series of bonds or refunding bonds, of which there are presently outstanding the Prior Bonds, as hereinafter defined.

WHEREAS, all of the Prior Bonds were issued pursuant to ordinances of the Issuer previously enacted (such ordinances, as so amended and supplemented, collectively herein called the "Prior Ordinances");

WHEREAS, under the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to

acquire, construct and operate extensions, additions, betterments and improvements for the System;

WHEREAS, the Issuer has determined, and does hereby affirm, that the acquisition and construction of certain extensions, additions, betterments and improvements to the sanitary sewerage collection and treatment portion of the System, is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined that the aforementioned acquisition and construction of extensions, additions, betterments and improvements to the sanitary sewerage collection and treatment portion of the System, including but not limited to Star City treatment plant upgrades, collection system improvements, pumping stations and all necessary appurtenances (further defined herein as the "Sewer Treatment Plant Project" or "the Project") should be financed, as provided under the Act, in whole or in part, from the proceeds of multiple series of combined utility system revenue bonds to be issued by the Issuer, to pay all or any portion of the costs thereof;

WHEREAS, the Issuer has determined to initially finance the costs of the Sewer Treatment Plan Project through the simultaneous issuance of three series of combined utility system revenue bonds designated, and in the not to exceed amounts, as follows:

(1) The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 A (Tax Exempt), in the aggregate principal amount of not more than \$100,000,000 (the "Series 2016 A Bonds");

(2) The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 B (Tax Exempt – Extraordinary Optional Call), in the aggregate principal amount of not more than \$30,000,000 (the "Series 2016 B Bonds"); and

(3) The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 C (SRF Program), in the aggregate principal amount of not more than \$10,000,000 (the "Series 2016 C Bonds," and collectively with the Series 2016 A Bonds and the Series 2016 B Bonds, the "Sewer Treatment Plant Project Bonds").

WHEREAS, the Issuer has determined to enact this Ordinance and issue the Series 2016 C Bonds to have such security and such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, the Issuer has also determined that the design, acquisition and construction of certain extensions, betterments and improvements to the potable water raw water supply and storage, treatment, treated water storage and distribution system (the "Potable Water System"), specifically including, but not limited to, the design, acquisition and construction of a new water reservoir, transmission lines, distribution lines, storage, booster stations and the installation of emergency generators to serve facilities of the

Potable Water System, and all necessary appurtenances (collectively, the "Water Reservoir Project"), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined to finance all or a portion of the costs of the Water Reservoir Project through the issuance of its The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 D (Tax Exempt), in the aggregate principal amount of not more than \$40,000,000 (the "Series 2016 D Bonds"), to be issued either simultaneously with, or after, the issuance of the Sewer Treatment Project Bonds, pursuant to an ordinance of the Issuer (the "Series 2016 D Ordinance") to be enacted simultaneously with the enactment of the ordinances authorizing the issuance of the Sewer Treatment Plant Bonds; and

WHEREAS, the Series 2016 A Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds (collectively, the "Series 2016 Bonds") will be issued on a parity with one another, and the Prior Bonds, with respect to their lien on and security interest in the Gross Revenues of the System, and the Series 2016 C Bonds shall contain such other terms and provisions as are hereinafter provided, all in the manner set forth herein.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF MORGANTOWN:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of Morgantown (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State. The Issuer presently owns and operates the System through the Morgantown Utility Board (the "Board"). It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the water environment of the City and specifically of the project area, that there be acquired and constructed certain extensions, additions, betterments and improvements to the sanitary sewer portion of the existing public combined waterworks, sewerage, and stormwater system of the Issuer, specifically including, the Sewer Treatment Plant Project as herein defined (the existing public combined potable waterworks, sanitary sewer, and stormwater system of the Issuer, the Sewer Treatment Plan Project and any further extensions, additions, betterments and

improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers as herein defined.

B. The Issuer intends to permanently finance a portion of such the costs of acquisition and construction of the Sewer Treatment Plant Project through the issuance of its combined utility revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Clean Water State Revolving Fund Program (the "SRF Program"), all pursuant to the Act.

C. It is deemed necessary for the Issuer to issue its Series 2016 C Bonds as herein defined, in the aggregate principal amount of not more than \$10,000,000, to permanently finance a portion of the costs of acquisition and construction of the Sewer Treatment Plant Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest, if any, upon the Series 2016 C Bonds for a period not exceeding 6 months after completion of construction of the Sewer Treatment Plant Project; amounts which may be deposited in the Series 2016 C Bonds Reserve Account (as hereinafter defined) or amounts which may be used to purchase a surety bond to fund the Series 2016 C Bonds Reserve Account; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined); discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2016 C Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Sewer Treatment Plant Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer or the Board for any amounts expended by them for allowable costs prior to the issuance of the Series 2016 C Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

D. The period of usefulness of the System after completion of the Sewer Treatment Plant Project is not less than 30 years.

E. It is in the best interests of the Issuer that its Series 2016 C Bonds be sold to the Authority pursuant to the terms and provisions of a Bond Purchase Agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the respective parties (the "Bond Purchase Agreement"), approved hereby if not previously approved by resolution of the Issuer.

F. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 C Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1. Combined Utility System Revenue Bonds, Series 1995 (West Virginia SRF Program), dated April 27, 1995, issued in the original aggregate principal amount of \$1,601,477 (the "Series 1995 Bonds");
2. Combined Utility System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated February 29, 2000, issued in the original aggregate principal amount of \$7,842,000 (the "Series 2000 A Bonds");
3. Combined Utility System Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), dated February 29, 2000, issued in the original aggregate principal amount of \$2,488,000 (the "Series 2000 B Bonds");
4. Combined Utility System Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated February 8, 2001, issued in the original aggregate principal amount of \$3,812,470 (the "Series 2001 A Bonds");
5. Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), dated June 30, 2006, issued in the original aggregate principal amount of \$6,410,191 (the "Series 2006 A Bonds");
6. Combined Utility System Revenue Bonds, Series 2007 A (West Virginia SRF Program), dated August 14, 2007, issued in the original aggregate principal amount of \$8,500,000 (the "Series 2007 A Bonds");
7. Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), dated January 28, 2010, issued in the original aggregate principal amount of \$37,950,000 (the "Series 2010 A Bonds");
8. Combined Utility System Revenue Bonds, Series 2010 B (West Virginia SRF Program/ARRA), dated January 28, 2010, issued in the original aggregate principal amount of \$81,600 (the "Series 2010 B Bonds");
9. Combined Utility System Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated January 28, 2010, issued in the original aggregate principal amount of \$15,380,227 (the "Series 2010 C Bonds");

10. Combined Utility System Revenue Bonds, Series 2010 D (West Virginia DWTRF Program), dated January 28, 2010, issued in the original aggregate principal amount of \$9,317,286 (the "Series 2010 D Bonds");
11. Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), dated January 28, 2010, issued in the original aggregate principal amount of \$100,000 (the "Series 2010 E Bonds");
12. Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), dated January 28, 2010, issued in the original aggregate amount of \$7,250,000 (the "Series 2010 F Bonds");
13. Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 24, 2012, issued in the original aggregate principal amount of \$570,000 (the "Series 2012 A Bonds");
14. Combined Utility System Revenue Bonds, Series 2012 C (Bank Qualified), dated October 5, 2012, issued in the original aggregate principal amount of \$2,330,000 (the "Series 2012 C Bonds");
15. Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), dated August 22, 2013, issued in the original aggregate principal amount of \$4,605,260 (the "Series 2013 A Bonds");
16. Combined Utility System Revenue Bonds, Series 2014 B dated July 23, 2014, issued in the original aggregate principal amount of \$505,421 (the "Series 2014 B Bonds");
17. Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority), dated March 31, 2015, issued in the original aggregate principal amount of \$137,568 (the "Series 2015 A Bonds");
18. Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority), dated March 31, 2015, issued in the original aggregate principal amount of \$4,586 (the "Series 2015 B Bonds");
19. Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program), dated March 31, 2015, issued

in the original aggregate principal amount of \$8,111,813 (the “Series 2015 C Bonds”);

20. Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program), dated March 31, 2015, issued in the original aggregate principal amount of \$1,688,394 (the “Series 2015 D Bonds”); and

21. Combined Utility System Revenue Bonds, Series 2015 E (West Virginia SRF Program), dated June 11, 2015, issued in the original aggregate principal amount of \$662,300 (the “Series 2015 E Bonds”), (collectively, the “Prior Bonds”).

Simultaneously with the issuance of the Series 2016 C Bonds, the Issuer intends to finance the remaining costs of the Sewer Treatment Plant Project through the issuance of the following bonds:

22. Combined Utility System Revenue Bonds, Series 2016 A (Tax Exempt), to be issued simultaneously herewith, issued in the original aggregate principal amount not to exceed \$100,000,000 (the “Series 2016 A Bonds”); and

23. Combined Utility System Revenue Bonds, Series 2016 B (Tax Exempt – Extraordinary Redemption Call), to be issued simultaneously herewith, issued in the original aggregate principal amount not to exceed \$30,000,000 (the “Series 2016 B Bonds”).

G. Prior to the issuance of the Series 2016 Bonds, the Issuer will (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds and Series 2015 E Bonds to the issuance of the Series 2016 C Bonds on a parity with the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, and Series 2015 E Bonds. The Series 2010 A Bonds, Series 2010 F Bonds, Series 2012 C Bonds and Series 2014 B Bonds do not require consent. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

H. The estimated revenues to be derived in each year after completion of the Wastewater Treatment Plant Project and the Water Reservoir Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2016 Bonds and the Prior Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement relating to authorization of the acquisition, construction and operation of the Sewer Treatment Plant Project and the System and issuance of the Series 2016 C Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council.

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

K. Prior to construction the Issuer will enact a Project Ordinance in compliance with Chapter 24, Article 2, Paragraph 11 of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2016 C Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2016 C Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

“Act” means, collectively, Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 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 Series 2016 C Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

“Authorized Officer” means the Mayor or the City Manager of the Issuer, and, in the instance of the Board, the Chairman, the General Manager or the Assistant General Manager, or any other officer of the Issuer or Board specifically designated by resolution of the Governing Body or the Board, as appropriate.

“Board” means the Morgantown Utility Board of the Issuer.

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

“Bond 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.

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

“Bond Purchase Agreement” means the Bond Purchase Agreement heretofore entered, or to be entered, into by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2016 C Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

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

“Bonds” means, collectively, the Series 2016 Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

“City Clerk” or “Clerk” means the City Clerk of the Issuer.

“City Manager” means the City Manager of the Issuer.

“Closing Date” means the date upon which there is an exchange of the Series 2016 C Bonds for all or a portion of the proceeds of the Series 2016 C Bonds from the Authority and the DEP.

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

“Completion Date” means the completion date of the Project, as defined in the SRF Regulations.

“Consulting Engineers” means any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions. “Consulting Engineer” shall also include a licensed professional engineer employed by the Board, who is responsible for design and/or supervision of improvements, additions or modifications to the System.

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

“DEP” means the West Virginia Department of Environmental Protection, or any other agency, board or department of the state that succeeds to the function of the DEP.

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

“Depreciation Fund” means the Depreciation Fund created by the Prior Ordinances and continued hereby.

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

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

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

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

“Grants” means any grants committed to the Project.

“Gross Revenues” means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that “Gross

Revenues” include any gains from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments, as hereinafter defined) or any Tap Fees (as hereinafter defined).

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

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

“Issuer” means The City of Morgantown, a municipal corporation and political subdivision of the State of West Virginia, in Monongalia County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Mayor” means the Mayor of the Issuer.

“Net Proceeds” means the face amount of the Series 2016 C Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts.

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

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

“Operation and Maintenance Fund” means the Operation and Maintenance Fund established by the Prior Ordinances and continued hereby.

“Outstanding” when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond or Prior Bond cancelled by the Bond

Registrar or Registrar for Prior Bonds, at or prior to said date; (ii) any Bond or Prior Bonds, for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid; and for purposes of consents or other action by a specified percentage of Bondholders, or holders of Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

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

“Paying Agent” means the Commission or other entity designated as such for the Series 2016 C Bonds in the Supplemental Resolution.

“Prior Bonds” means, collectively, the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2013 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds and Series 2015 E Bonds..

“Prior Ordinances” means, collectively, the ordinances authorizing the Prior Bonds.

“Project” or “Sewer Treatment Plant Project” means the Project as described in Section 1.02A hereof.

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

(a) Government Obligations;

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

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

(e) Time 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, 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 exempt from federal income taxation, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

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

“Registrar” means the Bond Registrar.

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

“Reserve Accounts” means, collectively, the respective Reserve Accounts established for the Series 2016 Bonds and the Prior Bonds.

“Reserve Requirement” means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2016 C Bonds.

“Revenue Fund” means the Revenue Fund created by the Prior Ordinances and continued hereby.

“Series 1995 Bonds” means the Combined Utility System Revenue Bonds, Series 1995 (West Virginia SRF Program), of the Issuer, dated April 27, 1995, issued in the original aggregate principal amount of \$1,601,477.

“Series 2000 A Bonds” means the Combined Utility System Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of \$7,842,000.

“Series 2000 B Bonds” means the Combined Utility System Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of \$2,488,000.

“Series 2001 A Bonds” means the Combined Utility System Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer, dated February 8, 2001, issued in the original aggregate principal amount of \$3,812,470.

“Series 2006 A Bonds” means the Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of \$6,410,191.

“Series 2007 A Bonds” means the Combined Utility System Revenue Bonds, Series 2007 A (West Virginia SRF Program), of the Issuer, dated August 14, 2007, issued in the original aggregate principal amount of \$8,500,000.

“Series 2010 A Bonds” means the Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$37,950,000.

“Series 2010 B Bonds” means the Combined Utility System Revenue Bonds, Series 2010 B (West Virginia SRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$81,600.

“Series 2010 C Bonds” means the Combined Utility System Revenue Bonds, Series 2010 C (West Virginia SRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$15,380,227.

“Series 2010 D Bonds” means the Combined Utility System Revenue Bonds, Series 2010 D (West Virginia DWTRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$9,317,286.

“Series 2010 E Bonds” means the Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$100,000.

“Series 2010 F Bonds” means the Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$7,250,000.

“Series 2012 A Bonds” means the Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 24, 2012, issued in the original aggregate principal amount of \$570,000.

“Series 2012 C Bonds” means the Combined Utility System Revenue Bonds, Series 2012 C (Bank Qualified), dated October 5, 2012, issued in the original aggregate principal amount of \$2,330,000.

“Series 2013 A Bonds” means the Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), dated August 22, 2013, issued in the original aggregate principal amount of \$4,605,260.

“Series 2014 B Bonds” means the Issuer’s Combined Utility System Revenue Bonds, Series 2014 B dated July 23, 2014, issued in the original aggregate principal amount of \$505,421.

“Series 2015 A Bonds” means the Issuer’s Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority), dated March 31, 2015, issued in the original aggregate principal amount of \$137,568.

“Series 2015 B Bonds” means the Issuer’s Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority), dated March 31, 2015, issued in the original aggregate principal amount of \$4,586.

“Series 2015 C Bonds” means the Issuer’s Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program), dated March 31, 2015, issued in the original aggregate principal amount of \$8,111,813.

“Series 2015 D Bonds” means Issuer’s Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program), dated March 31, 2015, issued in the original aggregate principal amount of \$1,688,394.

“Series 2015 E Bonds” means Issuer’s Combined Utility System Revenue Bonds, Series 2015 E (West Virginia SRF Program), dated June 11, 2015, issued in the original aggregate principal amount of \$662,300.

“Series 2016 Bonds” means collectively, the Series 2016 A Bonds, Series 2016 B Bonds, Series 2016 C Bonds and, if issued, the Series 2016 D Bonds.

“Series 2016 A Bonds” means Issuer’s Combined Utility System Revenue Bonds, Series 2016 A (Tax Exempt), to be issued simultaneously herewith, in the original aggregate principal amount not to exceed \$100,000,000.

“Series 2016 B Bonds” means Issuer’s Combined Utility System Revenue Bonds, Series 2016 B (Tax Exempt – Extraordinary Redemption Call), to be issued simultaneously herewith, in the original aggregate principal amount not to exceed \$30,000,000.

“Series 2016 C Bonds” means the Combined Utility System Revenue Bonds, Series 2016 C (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

“Series 2016 C Bonds Construction Trust Fund” means the Series 2016 C Bonds Construction Trust Fund established by Section 5.01 hereof.

“Series 2016 C Bonds Reserve Account” means the Series 2016 C Bonds Reserve Account established by Section 5.02 hereof.

“Series 2016 C Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2016 C Bonds in the then current or any succeeding year.

“Series 2016 C Bonds Sinking Fund” means the Series 2016 C Bonds Sinking Fund established by Section 5.02 hereof.

“Series 2016 D Bonds” means Issuer’s Combined Utility System Revenue Bonds, Series 2016 D (Tax Exempt), to be issued simultaneously herewith, or after the issuance of the Series 2016 C Bonds, in the original aggregate principal amount not to exceed \$40,000,000, for purpose of financing the Water Reservoir Project.

“Sewer Treatment Plant Project Bonds” means collectively, the Series 2016 A Bonds, Series 2016 B Bonds and Series 2016 C Bonds.

“Sinking Funds” means, collectively, the respective Sinking Funds established for the Series 2016 Bonds and the Prior Bonds.

“SRF Administrative Fee” means any administrative fee required to be paid pursuant to the Bond Purchase Agreement.

“SRF Program” means the State's Clean Water State Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

“SRF Regulations” means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article “the,” refers specifically to the supplemental resolution authorizing the sale of the Series 2016 C Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2016 C Bonds, and not so included may be included in another Supplemental Resolution.

“Surplus Revenues” means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2016 Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

“System” means, collectively, the complete existing public combined waterworks, sewerage, and stormwater system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Sewer Treatment Plant Project and the Water Reservoir Project and any additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE SEWER TREATMENT PLANT PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Sewer Treatment Plant Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed \$140,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2016 C Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer will receive bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP and the Authority.

The cost of the Sewer Treatment Plant Project is estimated not to exceed \$140,000,000, of which not to exceed \$10,000,000 will be obtained from proceeds of the Series 2016 C Bonds, not to exceed \$100,000,000 will be obtained from the proceeds of the Series 2016 A Bonds and not to exceed \$30,000,000 will be obtained from the proceeds of the Series 2016 B Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2016 C Bonds, if any, funding a reserve account or purchasing a surety bond to fund a reserve account for the Series 2016 C Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2016 C Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be issued the negotiable Series 2016 C Bonds of the Issuer. The Series 2016 C Bonds shall be issued in one or more series designated as "Combined Utility System Revenue Bonds, Series 2016 C (West Virginia SRF Program)," in the principal amount of not more than \$10,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2016 C Bonds remaining after purchasing a surety bond to fund the Series 2016 C Bonds Reserve Account or cash funding the Series 2016 C Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2016 C Bonds Construction Trust Fund established by Section 5.01 hereof, and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2016 C Bonds shall be issued in such principal amount; shall bear interest at such rate or rates, not exceeding the then

legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Bond Purchase Agreement. The Series 2016 C Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2016 C Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

As provided by the Supplemental Resolution, the Series 2016 C Bonds shall initially be issued in one or more series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the respective Series 2016 C Bonds. The Series 2016 C Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Series 2016 C Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Series 2016 C Bonds shall be dated and shall bear interest, if any, as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2016 C Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2016 C Bonds shall cease to be such officer of the Issuer before the Series 2016 C Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2016 C Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2016 C Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2016 C Bonds shall be deemed to have

been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2016 C Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2016 C Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2016 C Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2016 C Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2016 C Bonds or transferring the registered Series 2016 C Bonds are exercised, all Series 2016 C Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2016 C Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2016 C Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2016 C Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2016 C Bonds or, in the case of any proposed redemption of Series 2016 C Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016 C Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and

substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2016 C Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the System as herein provided. No Holder or Holders of the Series 2016 C Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2016 C Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of debt service of the Series 2016 Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2016 Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2016 C Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2016 C Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2016 C Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2016 C Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Bond Purchase Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 2016 C Bonds.

Section 3.10. Form of Bonds. The text of the Series 2016 C Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2016 C BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2016 C
(WEST VIRGINIA SRF PROGRAM)

No. CR-1

§

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2016, THE CITY OF MORGANTOWN, a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing ___ 1, 20___, to and including _____ 1, 20___, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of _____ % (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20___, as set forth on EXHIBIT B attached hereto.

This bond shall bear no interest. 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 on behalf of the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase (the "Bond Purchase Agreement") by and among the Issuer, the Authority, and the DEP, dated _____, 20___.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sanitary

sewer portion of the existing combined waterworks, sewerage and stormwater system (the "Sewer Treatment Plant Project"); [(ii) fund the Series 2016 C Bonds Reserve Account]; and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Series 2016 C Bonds") and related costs. The Sewer Treatment Plant Project, and any further extensions, additions, betterments or improvements to the existing combined waterworks, sewerage and stormwater system are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 20__ and a Supplemental Resolution duly adopted by the Issuer on _____, 20__ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

1. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 1995 (WEST VIRGINIA SRF PROGRAM), DATED APRIL 27, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,601,477 (THE "SERIES 1995 BONDS");
2. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,842,000 (THE "SERIES 2000 A BONDS");
3. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,488,000 (THE "SERIES 2000 B BONDS");
4. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 8, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,812,470 (THE "SERIES 2001 A BONDS");
5. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$6,410,191 (THE "SERIES 2006 A BONDS");

6. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,500,000 (THE "SERIES 2007 A BONDS");
7. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$37,950,000 (THE "SERIES 2010 A BONDS");
8. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$81,600 (THE "SERIES 2010 B BONDS");
9. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$15,380,227 (THE "SERIES 2010 C BONDS");
10. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,317,286 (THE "SERIES 2010 D BONDS");
11. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 E (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 E BONDS");
12. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF \$7,250,000 (THE "SERIES 2010 F BONDS");
13. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$570,000 (THE "SERIES 2012 A BONDS");
14. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 C (BANK QUALIFIED), DATED OCTOBER 5, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,330,000 (THE "SERIES 2012 C BONDS");
15. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN

THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,605,260 (THE "SERIES 2013 A BONDS");

16. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$505,421 (THE "SERIES 2014 B BONDS");
17. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$137,568 (THE "SERIES 2015 A BONDS");
18. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,586 (THE "SERIES 2015 D BONDS");
19. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 C (WEST VIRGINIA SRF PROGRAM), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,111,813 (THE "SERIES 2015 C BONDS");
20. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D (WEST VIRGINIA SRF PROGRAM), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,688,394 (THE "SERIES 2015 D BONDS"); AND
21. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 E (WEST VIRGINIA SRF PROGRAM), DATED JUNE 11, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$662,300 (THE "SERIES 2015 E BONDS"), (AND COLLECTIVELY WITH THE BONDS LISED ABOVE, THE "PRIOR BONDS");
22. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A (TAX EXEMPT), DATED _____, 2016, ISSUED SIMULTANEOUSLY HERewith, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2016 A BONDS");
23. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B (TAX EXEMPT – EXTRAORDINARY REDEMPTION CALL), DATED _____, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2016 B BONDS"); AND
24. [COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 D (TAX EXEMPT), DATED _____, 2016 ISSUED SIMULTANEOUSLY

HEREWITH, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF
\$ _____ (THE "SERIES 2016 D BONDS").]

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds, the Series 2016 A Bonds, the Series 2016 B Bonds, [the Series 2016 D Bonds] and from monies in the Reserve Account created under the Bond Legislation for the Series 2016 C Bonds (the "Series 2016 C Bonds Reserve Account"), and unexpended proceeds of the Series 2016 C Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which 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 Gross Revenues, the monies in the Series 2016 C Bonds Reserve Account and unexpended proceeds of the Series 2016 C Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2016 C Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior or subordinate to the Series 2016 C Bonds including the Prior Bonds, the Series 2016 A Bonds, the Series 2016 B Bonds, and [Series 2016 D Bonds]; provided however, that, so long as there exists in the Series 2016 C Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Series 2016 C Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding on a parity with or junior and subordinate to the Series 2016 C Bonds, including the Prior Bonds, the Series 2016 A Bonds, the Series 2016 B Bonds, [and the Series 2016 D Bonds], an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 C Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Series 2016 C Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

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IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated the day and year first written above.

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2016 C Bonds 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: _____, 2016.

UNITED BANK, INC.,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement. The Series 2016 C Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance or resolution, the Mayor are specifically authorized and directed to execute the Bond Purchase Agreement in the form approved by Supplemental Resolution, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Bond Purchase Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Board will file with the Authority and the DEP, a schedule setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Depreciation Fund (established by the Prior Ordinances);
- (3) Operation and Maintenance Fund (established by the Prior Ordinances); and
- (4) Series 2016 C Bonds Construction Trust Fund.

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

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

- (1) Series 1995 Bonds Sinking Fund (established by Prior Ordinances);
- (2) Series 1995 Bonds Reserve Account (established by Prior Ordinances);
- (3) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);
- (4) Series 2000 A Bonds Reserve Account (established by Prior Ordinances);
- (5) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances);
- (6) Series 2000 B Bonds Reserve Account (established by Prior Ordinances);
- (7) Series 2001 A Bonds Sinking Fund (established by Prior Ordinances);
- (8) Series 2001 A Bonds Reserve Account (established by Prior Ordinances);
- (9) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);
- (10) Series 2006 A Bonds Reserve Account (established by Prior Ordinances);
- (11) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);
- (12) Series 2007 A Bonds Reserve Account (established by Prior Ordinances);
- (13) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);
- (14) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);
- (15) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);
- (16) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);
- (17) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);

- (18) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);
- (19) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);
- (20) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);
- (21) Series 2010 F Bonds Sinking Fund (established by Prior Ordinances);
- (22) Series 2010 F Bonds Reserve Account (established by Prior Ordinances);
- (23) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);
- (24) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);
- (25) Series 2012 C Bonds Sinking Fund (established by Prior Ordinances);
- (26) Series 2012 C Bonds Reserve Account (established by Prior Ordinances);
- (27) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);
- (28) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);
- (29) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances);
- (30) Series 2014 B Bonds Reserve Account (established by Prior Ordinances);
- (31) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances);
- (32) Series 2015 A Bonds Reserve Account (established by Prior Ordinances);
- (33) Series 2015 B Bonds Sinking Fund (established by Prior Ordinances);
- (34) Series 2015 B Bonds Reserve Account (established by Prior Ordinances);
- (35) Series 2015 C Bonds Sinking Fund (established by Prior Ordinances);

- (36) Series 2015 C Bonds Reserve Account (established by Prior Ordinances);
- (37) Series 2015 D Bonds Sinking Fund (established by Prior Ordinances);
- (38) Series 2015 D Bonds Reserve Account (established by Prior Ordinances);
- (39) Series 2015 E Bonds Sinking Fund (established by Prior Ordinances);
- (40) Series 2015 E Bonds Reserve Account (established by Prior Ordinances);
- (41) Series 2016 A Bonds Sinking Fund (established by Prior Ordinances);
- (42) Series 2016 A Bonds Reserve Account (established by Prior Ordinances);
- (43) Series 2016 B Bonds Sinking Fund (established by Prior Ordinances);
- (44) Series 2016 B Bonds Reserve Account (established by Prior Ordinances);
- (45) Series 2016 C Bonds Sinking Fund and
- (46) Series 2016 C Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and this Bond Legislation 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 the Prior Ordinances and this Bond Legislation. All moneys at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

- (1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission the amounts required by the Prior Ordinances to pay interest on the Series 1995 Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series

2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds and Series 2014 B Bonds.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amounts required by the Prior Ordinances to pay the principal of the Prior Bonds; and (ii) to the Commission commencing 4 months prior to the first date of payment of principal of the Series 2016 C Bonds, for deposit in the Series 2016 C Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2016 C Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2016 C Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments 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.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective Reserve Accounts for the Prior Bonds, the amounts required by the Prior Ordinances; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2016 C Bonds, if not fully funded upon issuance of the Series 2016 C Bonds or otherwise provided for pursuant to a surety bond, for deposit in the Series 2016 C Bonds Reserve Account, an amount equal to 1/120th of the Series 2016 C Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2016 C Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2016 C Bonds Reserve Requirement.

(4) The Issuer shall next, each month, transfer from the Revenue Fund and deposit in the Operation and Maintenance Fund, an amount sufficient to pay the current Operating Expenses of the System.

(5) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month transfer to the Depreciation Fund, an amount equal to 2.5% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Depreciation 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 Depreciation Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Reserve Accounts (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with moneys from the Depreciation Fund.

Moneys in the Series 2016 C Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2016 C Bonds, as the same shall become due. Moneys in the Series 2016 C Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2016 C Bonds, as the same shall come due, when other moneys in the Series 2016 C Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2016 C Bonds Sinking Fund and the Series 2016 C Bonds 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 Series 2016 C Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2016 C Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2016 C Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2016 C Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2016 C Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest, if any, on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2016 C Bonds Sinking Fund or the Series 2016 C Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2016 C Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and

the Series 2016 Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2016 C Bonds Sinking Fund and Series 2016 C Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. 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 2016 C Bonds Sinking Fund and the Series 2016 C Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2016 C Bonds Sinking Fund and the Series 2016 C Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2016 C Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the required interest, if any, principal and reserve payments with respect to the Series 2016 C Bonds 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 Bond Legislation. 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 SRF Administrative Fee as set forth in the Schedule Y attached to the Bond Purchase Agreement.

C. 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. Surplus Revenues may be used for any lawful purpose of the System.

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, 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.

E. 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.

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

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

Section 5.04. Reserve Account Letter of Credit or Surety Bond. With the advance written consent of the Authority, the Issuer may, in lieu of funding the Series 2016 C Bonds Reserve Account with cash or Qualified Investments, satisfy the Series 2016 C Bonds Reserve Requirement by obtaining a reserve account letter of credit, a surety bond, or other credit facility satisfactory to the Authority in an amount equal to the Series 2016 C Bonds Reserve Requirement. The Issuer hereby authorizes the purchase of a reserve account letter of credit, a surety bond, or other credit facility satisfactory to the Authority, all as set forth in a Supplemental Resolution, and the execution and delivery of any applicable reimbursement agreement or note in such forms as shall be described in a Supplemental Resolution.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2016 C Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2016 C Bonds, there shall first be deposited with the Commission in the Series 2016 C Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2016 C Bonds, the Issuer may purchase a surety bond to fund the Series 2016 C Bonds Reserve Account as set forth in the Supplemental Resolution, or there shall be deposited with the Commission in the Series 2016 C Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2016 C Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2016 C Bonds, such moneys shall be deposited with the Depository Bank in the Series 2016 C Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2016 C Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2016 C Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements From the Series 2016 C Bond Construction Trust Fund. On or before the closing date, the Board shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2016 C Bonds will be expended and the disbursement procedures of such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

The Issuer hereby appoints and designates the Board, and the Authorized Officers thereof, as its agent (i) for the review and approval of all invoices for the Project to be paid from the proceeds of the Series 2016 C Bonds; (ii) to take any and all actions necessary to apply for and obtain a commitment from the DEP, specifically including, but not limited to, any administrative loan documents required by DEP; and (iii) to act on and execute documents on behalf of the Issuer for any and all federal and state actions as they relate to the planning, design and/or construction of the Project.

Except as provided in Section 6.01 hereof, disbursements from the Series 2016 C Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of a completed and signed "Payment Requisition Form," a form of which is attached to the Bond Purchase Agreement, in compliance with the construction schedule.

Pending such application, moneys in the Series 2016 C Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2016 C Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2016 C Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2016 C Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2016 C Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2016 C Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2016 C Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of debt service of the Series 2016 Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2016 Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement and the Issuer shall supply a certificate of certified public accountant to such effect.

So long as the Series 2016 C Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Bond Purchase Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2016 C Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase 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 Bond Legislation and the Bond Purchase Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances. Additionally, so long as the Series 2016 C Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2016 C Bonds, immediately be remitted to the Commission for deposit in the Series 2016 C Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2016 C Bonds. Any balance remaining after the payment of the Series 2016 C Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board 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 \$1,000,000, the Board shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue 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 \$1,000,000 but not in excess of \$5,000,000, the Board shall first, determine, that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds of any such sale shall be deposited in the Depreciation Fund. The payment of such proceeds into the Depreciation Fund shall not reduce the amount required to be paid into such account by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Board 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 \$5,000,000 and insufficient to pay all Bonds then Outstanding, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the

form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2016 Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2016 C Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2016 C Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2016 C Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2016 C Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2016 C Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2016 C Bonds.

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

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent

Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

1. The Bonds then Outstanding;
2. Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and
3. The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the 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 City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from the Gross 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 Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2016 C Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2016 C Bonds.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation and the Prior Ordinances, 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 Bond Legislation and the Prior Ordinances.

Section 7.08. Books; Records and Audit. The Board 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 Board shall permit the Authority and the DEP, 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 Board shall submit to the Authority and the DEP 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 Board shall permit the Authority and the DEP, 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 Board will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Board. 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 Board. The Board 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 Board shall be reported to such agent of the Issuer as the Board shall direct.

The Board shall file with the Authority and the DEP, or any other original purchaser of the Series 2016 C Bonds, and shall mail in each year to any Holder or Holders of the Series 2016 C Bonds, requesting the same, an annual report containing the following:

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

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

(C.) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The Board shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountant (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, 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 Holder or Holders of the Series 2016 C Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2016 C Bonds. Such audit report submitted to the Authority and the DEP 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 there are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Bond Purchase 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 provide the DEP 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 Bond Purchase Agreement or as promulgated from time to time.

The Board shall permit the Authority and the DEP, 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 Board shall also provide the Authority and the DEP, 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 DEP with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2016 C Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2016 C Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2016 C Bonds, including the Series 2016 A Bonds, Series 2016 B Bonds, [Series 2016 D Bonds] and the Prior Bonds; provided, that in the event that amounts equal to or in excess of the reserve requirements are on deposit in the Series 2016 C Bonds Reserve Account, and any reserve accounts for obligations on a parity with the Series 2016 C Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2016 C Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2016 C Bonds, including the Series 2016 A Bonds, Series 2016 B Bonds, [Series 2016 D Bonds] and the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinances described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Board 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 DEP within 30 days of adoption thereof.

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 Board shall each month complete a "Monthly Financial Report," a form of which is attached to the Bond Purchase Agreement, and forward a copy of such report to the Authority and the DEP by the 20th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Board shall obtain a certificate of the Consulting Engineers in the form attached to the Bond Purchase 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 DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Board shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority and the DEP 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 require the Consulting Engineers to submit Record Drawings, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Bond Purchase Agreement as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all state and federal standards.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Bond Purchase Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

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

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit

to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Board 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 Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the stormwater portion of the System and any services and facilities of the waterworks portion of the System, to all users of the services of the stormwater system delinquent in payment of charges for the services of the stormwater system and will not restore such services of either the waterworks system or the stormwater system until all delinquent charges for the services of the stormwater 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. If the waterworks facilities are not owned by the Issuer, the Issuer shall use diligent efforts to enter into a termination agreement with the provider of such water services, subject to any required approval of such agreements by the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Board 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 the Board, 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, the Board and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Board hereby covenants and agrees that so long as the Series 2016 C Bonds remain Outstanding, the Board 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 Board 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 Depreciation Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation Fund. The Board 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 Board, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Bond Purchase 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 Board, 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 Board 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 and the Board from claims arising out of operation or ownership of motor vehicles of or for the System.

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

(4) FIDELITY BONDS will be provided as to every officer and employee of the Board or 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 Board 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 Board shall verify such bonds prior to commencement of construction.

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

Section 7.16. Mandatory Use. The mandatory use of the stormwater facilities of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer. Accordingly, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, every owner, tenant or occupant of any real property located near the stormwater portion of the System, and where stormwater from real property affects or drains into the stormwater portion of the System, shall be deemed to be a user served by the stormwater portion of the System and it is declared that the mandatory use of the stormwater portion of the System by such real property owner is necessary and essential for the health and welfare of the inhabitants and residents of the Issuer and the State. To the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, every such owner, tenant or occupant shall, after a 30-day notice of the availability of the stormwater portion of the System, pay the rates and charges established therefor.

Section 7.17. Completion of Project; Permits and Orders. The Board 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 Board has obtained all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the DEP necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2016 C Bonds required by state law, with all requisite appeal periods having expired without successful appeal and the Issuer shall supple an opinion of counsel to such effect.

Section 7.18. Compliance with Bond Purchase Agreement and Law. The Issuer and the Board shall perform, satisfy and comply with all the terms and conditions of the Bond Purchase Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer and the Board shall provide the DEP with copies of all documents submitted to the Authority.

The Issuer and the Board shall also comply with all applicable laws, rules and regulations issued by the Authority and the DEP 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 perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia in the manner prescribed by and the guidelines established by the Authority and the Public Service Commission of West Virginia.

Section 7.19. RESERVED.

Section 7.20. Securities Laws Compliance. The Issuer shall provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2016 C Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2016 C Bonds 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 DEP before expending any proceeds of the Series 2016 C Bonds 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 DEP 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.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2016 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2016 Bonds, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2016 C Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of

interest, if any, on the Series 2016 C Bonds from gross income for federal income tax purposes.

Section 8.02. Covenants as to Use of Proceeds. The Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2016 C Bonds as may be necessary in order to maintain the status of the Series 2016 C Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2016 C Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the DEP, as the case may be, from which the proceeds of the Series 2016 C Bonds are derived, to lose their status as tax-exempt bonds; and to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the DEP, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the Series 2016 C Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2016 C Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any Series 2016 C Bonds; or
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2016 C Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2016 C Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or
- (3) If the Issuer or Board 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 Ordinances; or

(5) If default occurs with respect to the Series 2016 A Bonds, Series 2016 B Bonds or Series 2016 D Bonds or the respective ordinances authorizing the Series 2016 A Bonds, Series 2016 B Bonds and Series 2016 D Bonds.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a 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 and the Bond Legislation 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 Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided, however, that all rights and remedies of the Holders of the Series 2016 Bonds shall be on a parity with those of the Holders of the Prior Bonds.

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

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of

the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of 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 Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2016 C Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2016 C Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2016 C Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Series 2016 C Bonds, this Ordinance may be amended or supplemented

in any way by the Supplemental Resolution. Following issuance of the Series 2016 C Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2016 C Bonds shall be made without the consent in writing of the Registered Owners of the Series 2016 C Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2016 C Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2016 C Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2016 C Bonds.

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

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

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

Section 11.07. Appointment. The Issuer does hereby appoint, designate and approve the hiring of Steptoe & Johnson PLLC, Morgantown, West Virginia, as bond counsel to the Issuer and the Board in connection with the issuance by the Issuer of the Series 2016 C Bonds.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Dominion Post*, a newspaper published and of general circulation in The City of Morgantown, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2016 C Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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Section 11.09, Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

Passed on First Reading: _____, 2015

Passed on Second Reading: _____, 2015

Passed on Final Reading
Following Public Hearing: _____, 20__

THE CITY OF MORGANTOWN

By: _____
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF MORGANTOWN on the _____ day of _____, 20__.

[SEAL]

City Clerk

**THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 C
(WEST VIRGINIA SRF PROGRAM)**

BOND ORDINANCE

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

- Section 1.01. Authority for this Ordinance.
- Section 1.02. Findings.
- Section 1.03. Bond Legislation Constitutes Contract.
- Section 1.04. Definitions.

**ARTICLE II
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- Section 2.01. Authorization of Acquisition and Construction of the Project.

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AND SALE OF BONDS; AUTHORIZATION AND EXECUTION
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- Section 3.01. Authorization of Bonds.
- Section 3.02. Terms of Bonds.
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- Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost.
- Section 3.07. Bonds not to be Indebtedness of the Issuer.
- Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds.
- Section 3.09. Delivery of Bonds.
- Section 3.10. Form of Bonds.
- Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement.
- Section 3.12. Filing of Amended Schedule.

**ARTICLE IV
[RESERVED]**

**ARTICLE V
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AND APPLICATION THEREOF**

- Section 5.01. Establishment of Funds and Accounts with Depository Bank.
- Section 5.02. Establishment of Funds and Accounts with Commission.
- Section 5.03. System Revenues; Flow of Funds.
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- Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds
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- Section 7.01. General Covenants of the Issuer.
- Section 7.02. Bonds not to be Indebtedness of the Issuer.
- Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds.
- Section 7.04. Rates and Charges.
- Section 7.05. Sale of the System.
- Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances.
- Section 7.07. Parity Bonds.
- Section 7.08. Books; Records and Audit.
- Section 7.09. Rates.
- Section 7.10. Operating Budget and Monthly Financial Report.
- Section 7.11. Engineering Services and Operating Personnel.
- Section 7.12. No Competing Franchise.
- Section 7.13. Enforcement of Collections.
- Section 7.14. No Free Services.
- Section 7.15. Insurance and Construction Bonds.
- Section 7.16. Mandatory Use.
- Section 7.17. Completion of Project; Permits and Orders.
- Section 7.18. Compliance with Bond Purchase Agreement and Law.
- Section 7.19. RESERVED.
- Section 7.20. Securities Laws Compliance.
- Section 7.21. Contracts; Change Orders; Public Releases.
- Section 7.22. Statutory Mortgage Lien.

**ARTICLE VIII
INVESTMENT OF FUNDS**

- Section 8.01. Investments.
- Section 8.02. Covenants as to Use of Proceeds

**ARTICLE IX
DEFAULT AND REMEDIES**

- Section 9.01. Events of Default.
- Section 9.02. Remedies
- Section 9.03. Appointment of Receiver.

**ARTICLE X
PAYMENT OF BONDS**

- Section 10.01. Payment of Bonds.

**ARTICLE XI
MISCELLANEOUS**

- Section 11.01. Amendment or Modification of Bond Legislation.
- Section 11.02. Bond Legislation Constitutes Contract.
- Section 11.03. Severability of Invalid Provisions.
- Section 11.04. Headings, Etc.
- Section 11.05. Conflicting Provisions Repealed; Prior Ordinances.
- Section 11.06. Covenant of Due Procedure, Etc.
- Section 11.07. Appointment.
- Section 11.08. Statutory Notice and Public Hearing.
- Section 11.09. Effective Date.

SIGNATURES
CERTIFICATION

THE CITY OF MORGANTOWN, WEST VIRGINIA

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE POTABLE WATER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$40,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 D (TAX EXEMPT); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, The City of Morgantown (the "Issuer" or the "City") presently owns and operates, through The City of Morgantown Utility Board (the "Board"), a public combined waterworks, sewerage and stormwater system (collectively, the "System") and has heretofore financed the acquisition and construction of the System and certain additions, betterments and improvements thereto through the issuance of several series of bonds or refunding bonds, of which there are presently outstanding the Prior Bonds, as hereinafter defined.

WHEREAS, all of the Prior Bonds were issued pursuant to ordinances of the Issuer previously enacted (such ordinances, as so amended and supplemented, collectively herein called the "Prior Ordinances");

WHEREAS, under the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to acquire, construct and operate extensions, additions, betterments and improvements for the System;

WHEREAS, the Issuer has determined that the design, acquisition and construction of certain extensions, betterments and improvements to the raw water supply and storage, treatment, treated water storage and distribution system for potable water (the "Potable Water System"), specifically including, but not limited to, the design, acquisition and construction of a new water reservoir, the installation of emergency generators to serve certain facilities in the Potable Water System, the improvement of certain distribution lines, pump stations and storage tanks and all necessary appurtenances (collectively, the "Water Reservoir Project"), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined to finance all or a portion of the costs of the Water Reservoir Project through the issuance of its The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 D (Tax Exempt), in the aggregate principal amount of not more than \$40,000,000 (the "Series 2016 D Bonds");

WHEREAS, the Issuer has determined to enact this Ordinance to authorize the issuance of the Series 2016 D Bonds (the "Series 2016 D Ordinance"), such Series 2016 D Bonds to have such security and such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, the Issuer has also determined, and does hereby affirm, that the acquisition and construction of certain extensions, additions, betterments and improvements to the sanitary sewerage collection and treatment portion of the System (collectively, the "Sanitary Sewerage System"), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined that the aforementioned acquisition and construction of extensions, additions, betterments and improvements to the Sanitary Sewerage System (further defined herein as the "Sewer Treatment Plant Project") should be financed, as provided under the Act, in whole or in part, from the proceeds of multiple series of combined utility system revenue bonds to be issued by the Issuer, to pay all or any portion of the costs thereof, as well as the costs of issuance of such bonds;

WHEREAS, the Issuer has determined to finance the costs of the Sewer Treatment Plant Project through the simultaneous issuance of three series of combined utility system revenue bonds designated, and in the not to exceed amounts, as follows:

(i) The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 A (Tax Exempt), in the aggregate principal amount of not more than \$100,000,000 (the "Series 2016 A Bonds");

(ii) The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 B (Tax Exempt – Extraordinary Optional Call), in the aggregate principal amount of not more than \$30,000,000 (the "Series 2016 B Bonds"); and

(iii) The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 C (West Virginia SRF Program), in the aggregate principal amount of not more than \$10,000,000 (the "Series 2016 C Bonds", and, collectively with the Series 2016 A Bonds and the Series 2016 B Bonds, the "Sewer Treatment Plant Project Bonds").

WHEREAS, the Issuer is, simultaneously with the enactment of this Series 2016 D Ordinance to finance the Water Reservoir Project, considering enactment of separate Ordinances to approve, respectively, the issuance of the Series 2016 A Bonds (the "Series 2016 A Ordinance), the issuance of the Series 2016 B Bonds (the "Series 2016 B Ordinance") and the issuance of the Series 2016 C Bonds (the "Series 2016 C Ordinance" and, collectively with the Series 2016 A Ordinance and the Series 2016 B Ordinance, the "Sewer Treatment Plant Project Bond Ordinances");

WHEREAS, the Issuer anticipates that the Sewer Treatment Plant Project Bonds will be issued simultaneously with, or prior to, the Series 2016 D Bonds;

WHEREAS, the Series 2016 A Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds (collectively, the "Series 2016 Bond") will be issued on a parity with one another, the Prior Bonds, and any Additional Parity Bonds (as hereinafter defined) with respect to their lien on and security interest in the Gross Revenues of the System, and the Series 2016 D Bonds shall contain such other terms and provisions as are hereinafter provided, all in the manner set forth herein; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City that its Series 2016 D Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement, (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, hereinafter defined;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF MORGANTOWN HEREBY ORDAINS:

ARTICLE I
DEFINITIONS, STATUTORY AUTHORITY, FINDINGS

Section 1.01. Definitions All capitalized terms used in this Ordinance and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2016 D Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

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

"Board" shall mean The City of Morgantown Utility Board, created by an ordinance of the Issuer, or any successor thereto, the authorized officer for which is the Board's General Manager.

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

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

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

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2016 D Bonds, shall initially mean the bond insurer or bond insurers, if any, named in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Series 2016 D Bonds.

"Bond Year" means with respect to each series of Series 2016 D Bonds the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2016 A Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds, the Series 2016 D Bonds, the Prior Bonds and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations, West Virginia banking corporations or the New York Stock Exchange are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2016 D Bonds in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2016 D BONDS," attached hereto.

"City" or "Issuer" means The City of Morgantown, a municipal corporation and political subdivision of the State of West Virginia, in Monongalia County thereof, and, where appropriate, the Council, the Board and any successor thereto.

"City Clerk" or "Clerk" means the City Clerk of the Issuer.

"City Manager" means the City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2016 D Bonds for the proceeds representing the original purchase price thereof.

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

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

"Consulting Engineers" means any independent qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Board as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation those costs set forth in Section 1.02C.

"Council" means the City Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"Debt Service" with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to any series of the Bonds during such period.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"DTC" means The Depository Trust Company, New York, New York, or its successor thereof.

"DTC-eligible" means, with respect to the Series 2016 D Bonds, meeting the qualifications prescribed by DTC.

"Event of Default" means any occurrence or event specified in Section 7.01.

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

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

"Government Obligations" shall have the meaning set forth in the Supplemental Resolution.

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

"Independent Certified Public Accountant" means the West Virginia State Tax Department or any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any purpose except keeping the accounts of said System in the normal operations of its business and affairs, and specifically shall not include any certified public accountant who is an employee of either the City or the Board.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on then outstanding Bonds for the then current or any succeeding Fiscal Year.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Series 2016 D Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2016 D Bonds, in accordance with the terms thereof.

"Net Proceeds" means the face amount of the Series 2016 D Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and less proceeds deposited in the Series 2016 D Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2016 D Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2016 D Bonds and is not acquired in order to carry out the governmental purpose of the Series 2016 D Bonds.

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

"Ordinance" or "Bond Ordinance" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by resolution.

"Original Purchaser" means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2016 D Bonds directly from the Issuer, as determined by a resolution supplemental hereto.

"Outstanding" when used with reference to the Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which monies, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to

have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders for the purpose of consents, notices and the like, any Bond registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means, initially, the West Virginia Municipal Bond Commission and any other paying agent for the Series 2016 D Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"Potable Water System" means the potable water production and distribution facilities of the System, which includes, but is not limited to, the Issuer's raw water supply, storage, and treatment, as well as treated water storage and distribution.

"Prior Bonds" means, collectively, the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2013 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds and Series 2015 E Bonds.

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

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Purchase Price" for the purpose of computation of the Yield of the Series 2016 D Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2016 D Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2016 D Bonds of each maturity is sold or, if the Series 2016 D Bonds are privately placed, the price paid by the first buyer of the Series 2016 D Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2016 D Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2016 D Bonds.

"Qualified Investments" means and includes the investments set forth in the Supplemental Resolution and designated as such.

"Record Date" means the date or dates which shall be so stated in the Series 2016 D Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

"Redemption Price" means the price at which any of the Bonds may be called for redemption and includes the principal amount of the Bonds to be redeemed, plus the interest and the premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2016 D Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

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

"Sanitary Sewerage System" means, collectively, the sanitary sewerage collection and treatment portion of the System.

"Series 1995 Bonds" means the Combined Utility System Revenue Bonds, Series 1995 (West Virginia SRF Program), of the Issuer, dated April 27, 1995, issued in the original aggregate principal amount of \$1,601,477.

"Series 2000 A Bonds" means the Combined Utility System Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of \$7,842,000.

"Series 2000 B Bonds" means the Combined Utility System Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of \$2,488,000.

"Series 2001 A Bonds" means the Combined Utility System Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer, dated February 8, 2001, issued in the original aggregate principal amount of \$3,812,470.

"Series 2006 A Bonds" means the Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of \$6,410,191.

"Series 2007 A Bonds" means the Combined Utility System Revenue Bonds, Series 2007 A (West Virginia SRF Program), of the Issuer, dated August 14, 2007, issued in the original aggregate principal amount of \$8,500,000.

"Series 2010 A Bonds" means the Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$37,950,000.

"Series 2010 B Bonds" means the Combined Utility System Revenue Bonds, Series 2010 B (West Virginia SRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$81,600.

“Series 2010 C Bonds” means the Combined Utility System Revenue Bonds, Series 2010 C (West Virginia SRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$15,380,227.

“Series 2010 D Bonds” means the Combined Utility System Revenue Bonds, Series 2010 D (West Virginia DWTRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$9,317,286.

“Series 2010 E Bonds” means the Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$100,000.

“Series 2010 F Bonds” means the Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$7,250,000.

“Series 2012 A Bonds” means the Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, dated August 24, 2012, issued in the original aggregate principal amount of \$570,000.

“Series 2012 C Bonds” means the Combined Utility System Revenue Bonds, Series 2012 C (Bank Qualified), of the Issuer, dated October 5, 2012, issued in the original aggregate principal amount of \$2,330,000.

“Series 2013 A Bonds” means the Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated August 22, 2013, issued in the original aggregate principal amount of \$4,605,260.

“Series 2014 B Bonds” means the Combined Utility System Revenue Bonds, Series 2014 B, of the Issuer, dated July 13, 2014, issued in the original aggregate principal amount of \$505,421.

“Series 2015 A Bonds” means the Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of \$137,568..

“Series 2015 B Bonds” means the Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of \$4,586.

“Series 2015 C Bonds” means the Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of \$8,111,813.

“Series 2015 D Bonds” means the Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of \$1,688,394.

“Series 2015 E Bonds” means the Combined Utility System Revenue Bonds, Series 2015 E (West Virginia SRF Program), of the Issuer, dated June 11, 2015 issued in the original aggregate principal amount of \$662,300.

“Series 2016 Bonds” means collectively, the Series 2016 A Bonds, Series 2016 B Bonds, Series 2016 C Bonds and Series 2016 D Bonds.

“Series 2016 A Bonds” means the Combined Utility System Revenue Bonds, Series 2016 A (Tax-Exempt), issued either simultaneously with, or prior to, the issuance of the Series 2016 D Bonds, in the aggregate principal amount of not more than \$100,000,000, the proceeds of which will be used to finance a portion of the costs of the Sewer Treatment Plant Project.

“Series 2016 B Bonds” means the Combined Utility System Revenue Bonds, Series 2016 B (Tax Exempt – Extraordinary Optional Call), issued either simultaneously with, or prior to, the issuance of the Series 2016 D Bonds, in the aggregate principal amount of not more than \$30,000,000, the proceeds of which will be used to finance a portion of the costs of the Sewer Treatment Plant Project.

“Series 2016 C Bonds” means the Combined Utility System Revenue Bonds, Series 2016 C (West Virginia SRF Program), issued either simultaneously with, or prior to, the issuance of the Series 2016 D Bonds, in the aggregate principal amount of not more than \$10,000,000, the proceeds of which will be used to finance a portion of the costs of the Sewer Treatment Plant Project.

“Series 2016 D Bonds” means the Combined Utility System Revenue Bonds, Series 2016 D of the Issuer, authorized to be issued in the aggregate principal amount of not more than \$40,000,000 pursuant to this Ordinance and the Supplemental Resolution.

“Series 2016 D Bonds Construction Fund” means the Series 2016 D Bonds Construction Fund created by Section 4.01 hereof.

“Series 2016 D Bonds Costs of Issuance Fund” means the Costs of Issuance Fund created by Section 4.01 hereof.

“Series 2016 D Bonds Redemption Account” means the Redemption Account created in the Series 2016 D Bonds Sinking Fund by Section 4.02 hereof.

“Series 2016 D Bonds Reserve Account” means the Series 2016 D Bonds Reserve Account created in the Series 2016 D Bonds Sinking Fund by Section 4.02 hereof.

“Series 2016 D Bonds Sinking Fund” means the Series 2016 D Bonds Sinking Fund created by Section 4.02 hereof.

“Series 2016 D Bonds Reserve Account Requirement” means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2016 D Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2016 D Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2016 D Bonds.

“Sewer Treatment Plant Project” means, collectively, the acquisition and construction of certain additions, betterments and improvements to the System’s Sanitary Sewerage System, including

the design, acquisition and construction of additions and improvements to, and the renovation of, the System's wastewater treatment plant located in Star City.

"Sewer Treatment Plant Project Bonds" means, collectively, the Series 2016 A Bonds, the Series 2016 B Bonds and the Series 2016 C Bonds.

"Sewer Treatment Plant Project Bond Ordinances" means the ordinances authorizing the Sewer Treatment Plant Project Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means, collectively, any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Supplemental Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Bond Insurer provisions (if any) and other terms of the Series 2016 D Bonds and authorizing the sale of the Series 2016 D Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2016 Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

"System" means the complete existing combined municipal potable waterworks, sanitary sewer and stormwater system of the Issuer, as presently existing in its entirety or any integral part thereof and shall include the Sewer Treatment Plant Project, the Water Reservoir Project and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for said municipal waterworks, sewerage and stormwater system from any sources whatsoever, both within and without the Issuer.

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

"Water Reservoir Project" means the design, acquisition and construction of certain extensions, betterments and improvements to the potable water raw water supply and storage, treatment, treated water storage and distribution system, specifically including, but not limited to, the design, acquisition and construction of a new water reservoir, the installation of emergency generators to serve certain facilities in the Potable Water System, and the improvement of certain distribution lines, pump stations and storage tanks and all necessary appurtenances.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

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

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The Issuer is a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State.

B. The Issuer presently owns and operates, through the Board, a public combined potable waterworks, sanitary sewerage, and stormwater system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the potable water supply for all customers of the System, that there be acquired and constructed certain extensions, additions, betterments and improvements to the System specifically including, but not limited to, the Water Reservoir Project.

C. It is deemed necessary for the Issuer to issue its Combined Utility System Revenue Bonds, Series 2016 D, in the aggregate principal amount of not more than \$40,000,000, to permanently finance all or a portion of the costs of design, acquisition and construction of the Water Reservoir Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2016 D Bonds prior to and during acquisition and/or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Water Reservoir Project; amounts which may be deposited in the Series 2016 D Bonds Reserve Account; underwriter's discount, engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; premiums for a Municipal Bond Insurance Policy, the premium for a municipal bond debt service reserve insurance policy or debt service reserve surety bond; letter of credit fees; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2016 D Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the acquisition and construction of the Water Reservoir Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2016 D Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Water Reservoir Project, as hereinafter defined.

D. The period of usefulness of the System after completion of the Water Reservoir Project is not less than 35 years.

E. It is in the best interests of the Issuer that the Series 2016 D Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by Supplemental Resolution of the Issuer.

F. There are or will be outstanding obligations of the Issuer which will rank on a parity with the Series 2016 D Bonds as to liens, pledge, source of and security for payment, being the Issuer's Prior Bonds and the Issuer's Series 2016 A Bonds, Series 2016 B Bonds and Series 2016 C Bonds, to be issued either prior to or contemporaneously with the issuance of the Series 2016 D Bonds.

Prior to the issuance of the Series 2016 Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds to the issuance of the Series 2016 Bonds on a parity with the Series 1992 Bonds, Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds. The Series 2010 A Bonds, Series 2010 F Bonds, Series 2012 C Bonds and Series 2014 B Bonds do not require written consent from the holders thereof.

Other than the Prior Bonds, the Series 2016 A Bonds, the Series 2016 B Bonds and the Series 2016 C Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

G. The Issuer intends to issue the Series 2016 D Bonds, and to pledge for payment thereof, the Gross Revenues of the System, on a parity with one another and on a parity with such pledge in favor of the Holders of the Series 2016 A Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds, and the Prior Bonds.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, to provide for the repair, maintenance and operation of the System, to pay the Series 2016 D Bonds, the Series 2016 A Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds and the Prior Bonds, to pay the principal on the Series 2016 A Bonds, Series 2016 B Bonds, Series 2016 C Bonds and Series 2016 D Bonds and the Prior Bonds as and when it becomes due and reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2016 D Bonds, and secure the Series 2016 D Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the System, the monies in the Series 2016 D Bonds Sinking Fund, including the Series 2016 D Bonds Reserve Account therein, unexpended proceeds of the Series 2016 D Bonds and as further set forth herein.

J. The Series 2016 D Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in "EXHIBIT A – FORM OF SERIES 2016 D BONDS" attached hereto and incorporated herein by reference, with necessary and appropriate

variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K. All things necessary to make the Series 2016 D Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2016 D Bonds, will be timely done and duly performed.

L. The enactment of this Ordinance, the execution and issuance of the Series 2016 D Bonds and the amendment, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. Prior to construction, the Issuer will have complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Water Reservoir Project and the System and issuance of the Series 2016 D Bonds including but not limited to Chapter 24, Article 2, Paragraph 11 (l).

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2016 D Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Series 2016 D Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2016 D Bond and any other Series 2016 D Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE WATER RESERVOIR PROJECT

Section 2.01 Authorization of Acquisition and Construction of the Water Reservoir Project. There is hereby authorized and ordered the acquisition and construction of the Water Reservoir Project, at an estimated cost of not more than \$40,000,000, of which up to \$40,000,000 will be obtained from the proceeds of the Series 2016 D Bonds.

ARTICLE III

THE SERIES 2016 D BONDS

Section 3.01 Form and Payment of Bonds. No Series 2016 D Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2016 D Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2016 D Bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof for any year of maturity. All Series 2016 D Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2016 D Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2016 D Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the

Registrar, interest on such Series 2016 D Bonds shall be in default, Bonds issued in exchange for Series 2016 D Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2016 D Bonds surrendered.

The principal of, and the interest and premium, if any, on, the Series 2016 D Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2016 D Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of \$1,000,000 or more of the Series 2016 D Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2016 D Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Series 2016 D Bond in the principal amount of said 2016 D Bond then Outstanding.

Section 3.02. Execution of the Series 2016 D Bonds. The Series 2016 D Bonds shall be executed in the name of the Issuer by the Mayor, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2016 D Bonds shall cease to be such officer of the Issuer before the Series 2016 D Bonds so signed and sealed have been actually sold and delivered, such Series 2016 D Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2016 D Bonds had not ceased to hold such office. Any Series 2016 D Bonds be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Series 2016 D Bonds shall hold the proper office in the City, although at the date of such Series 2016 D Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2016 D Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2016 D Bond, substantially in the form set forth in "EXHIBIT A – FORM OF SERIES 2016 D BONDS" attached hereto and incorporated herein by reference with respect to the Series 2016 D Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2016 D Bond shall be conclusive evidence that such Series 2016 D Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2016 D Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2016 D Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2016 D Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2016 D Bonds, in accepting any of said Series 2016 D Bonds, shall be conclusively deemed to have agreed that such Series 2016 D Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series

2016 D Bonds shall further be conclusively deemed to have agreed that said Series 2016 D Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2016 D Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2016 D Bonds. The Series 2016 D Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2016 D Bond, there shall be issued at the option of the Holder of the Series 2016 D Bonds or the transferee another Series 2016 D Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Series 2016 D Bond and of the same series, interest rate and maturity of said transferred Series 2016 D Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2016 D Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Series 2016 D Bonds, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2016 D Bond is exercised, Series 2016 D Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2016 D Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2016 D Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2016 D Bonds, the Registrar may impose a service charge. For every such transfer or exchange of Series 2016 D Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2016 D Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016 D Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Series 2016 D Bond of like series, maturity and principal amount as the Series 2016 D Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Series 2016 D Bond, or in lieu of and substitution for the Series 2016 D Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Series 2016 D Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2016 D Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Series 2016 D Bond shall have matured or be about to mature, instead of issuing a substitute Series 2016 D Bond, the Issuer, by and through the Registrar,

may pay the same, upon being indemnified as aforesaid, and, if such Series 2016 D Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Series 2016 D Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2016 D Bonds be at any time found by any one, and such duplicate Series 2016 D Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued as part of the Series 2016 D Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2016 D Bonds Redemption Account in accordance with Section 4.03 shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2016 D Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

2. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

3. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2016 D Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of

such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2016 D Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2016 D Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of \$5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2016 D Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer and the registered owner of the Series 2016 D Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2016 D Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

All official notices of redemption shall be dated and shall state:

- (1) The Redemption Date,
- (2) The Redemption Price,
- (3) If less than all Outstanding Series 2016 D Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2016 D Bonds to be redeemed,
- (4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Series 2016 D Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) The place where such Series 2016 D Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar, and
- (6) Such other information, if any, as shall be required for DTC-Eligible Bonds.

If funds sufficient to redeem all Series 2016 D Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2016 D Bonds called for redemption of such fact.

Official notice of redemption having been given as aforesaid, the Series 2016 D Bonds, or portions of the Series 2016 D Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2016 D Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such Bond. All Series 2016 D Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2016 D Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Series 2016 D Bond is registered as the owner of such Series 2016 D Bond for the purpose of receiving payment of the principal of, and interest on, such Series 2016 D Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Series 2016 D Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 2016 D Bonds. For the purposes of paying all or a portion of the costs of the Water Reservoir Project, capitalizing interest on the Series 2016 D Bonds, paying the premium for a Municipal Bond Insurance Policy, funding the Series 2016 D Bonds Reserve Account with proceeds of the Series 2016 D Bonds or paying the premium for a municipal bond debt service reserve insurance policy, in a amount equal to the Series 2016 D Bonds Debt Service Reserve Requirement and paying costs in connection with the issuance of the Series 2016 D Bonds, or any or all such purposes, there shall be issued the Series 2016 D Bonds of the Issuer, in an aggregate principal amount of not more than \$40,000,000. Said Series 2016 D Bonds shall be designated "Combined Utility System Revenue Bonds, Series 2016 D (Tax Exempt)" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in the Supplemental Resolution, and shall be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2016 D Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2016 D Bonds shall be numbered from DR-1 consecutively upward. The Series 2016 D Bonds shall be dated; shall be in such aggregate principal

amount (not to exceed \$40,000,000); shall bear interest at such rate or rates, (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 35 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2016 D Bonds.

A. The Series 2016 D Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2016 D Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2016 D Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2016 D Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2016 D Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2016 D Bond or any other evidence of ownership of the Series 2016 D Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2016 D Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2016 D Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2016 D Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2016 D Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2016 D Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2016 D Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2016 D Bonds so redeemed, but DTC may retain such Series 2016 D Bonds and make an appropriate notation on the Series 2016 D Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2016 D Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2016 D Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2016 D Bonds, selecting the Series 2016 D Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2016 D Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect

participant in DTC, any person claiming a beneficial ownership interest in the Series 2016 D Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2016 D Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2016 D Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2016 D Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2016 D Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2016 D Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2016 D Bonds. In either of such events (unless in the case described in clause (iii) above, the Issuer appoints a successor securities depository), the Series 2016 D Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2016 D Bonds.

Section 3.12. Delivery of Series 2016 D Bonds. A. The Issuer shall execute and deliver the Series 2016 D Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2016 D Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2016 D Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2016 D Bonds to DTC for the benefit of the Original Purchaser;

(3) Copies certified by the City Clerk of this Ordinance and the Supplemental Resolution;

(4) The unqualified approving opinion upon the Series 2016 D Bonds by Bond Counsel; and

(5) Such other opinions, certificates and documents as shall be reasonably requested by the Original Purchaser.

Section 3.13. Form of Series 2016 D Bonds. The definitive Series 2016 D Bonds shall be in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2016 D BONDS" attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2016 D Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2016 D Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2016 D Bonds. Upon the issuance and delivery of the Series 2016 D Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2016 D Bonds from the date thereof to the date of delivery thereof, if any, shall be deposited in the Series 2016 D Bonds Sinking Fund and applied to payment of interest on the Series 2016 D Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2016 D Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer.

3. An amount of the proceeds of the Series 2016 D Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2016 D Bonds Reserve Account; provided, that to the extent the Series 2016 D Bonds Reserve Requirement is satisfied in whole or in part from a municipal bond debt service reserve insurance policy, letter of credit, surety bond or other credit facility, proceeds of the Series 2016 D Bonds shall be (i) paid to the Bond Insurer, via wire transfer, and (ii) deposited in the Series 2016 D Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2016 D Bonds Reserve Requirement.

4. The amount of Series 2016 D Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2016 D Bonds shall be deposited with the Depository Bank in the Series 2016 D Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2016 D Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2016 D Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2016 D Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2016 D Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2016 D Bonds from which such proceeds are derived.

5. The balance of Series 2016 D Bonds proceeds, if any, shall be deposited in the Series 2016 D Bonds Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Series 2016 D Bonds Construction Fund. Disbursements from the Series 2016 D Bonds Construction Fund, except for payment of Costs of Issuance of the Series 2016 D Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Utility, shall be made only for design, acquisition and construction of capital improvements, repairs and replacements for the Water Reservoir Project, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2016 D Bonds Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Utility.

ARTICLE IV
SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other (except as set forth in this Section 4.01), and used solely for the purposes provided herein:

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Depreciation Fund (established by the Prior Ordinances);
- (3) Operation and Maintenance Fund (established by the Prior Ordinances);
- (4) Series 2016 D Bonds Construction Fund; and
- (5) Series 2016 D Bonds Cost of Issuance Fund.

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

- (1) Series 1992 Bonds Sinking Fund (established by Prior Ordinances);
- (2) Series 1992 Bonds Reserve Account established by Prior Ordinances);
- (3) Series 1995 Bonds Sinking Fund (established by Prior Ordinances);
- (4) Series 1995 Bonds Reserve Account established by Prior Ordinances);
- (5) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);
- (6) Series 2000 A Bonds Reserve Account established by Prior Ordinances);
- (7) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances);
- (8) Series 2000 B Bonds Reserve Account established by Prior Ordinances);
- (9) Series 2001 A Bonds Sinking Fund (established by Prior Ordinances);
- (10) Series 2001 A Bonds Reserve Account established by Prior Ordinances);
- (11) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);
- (12) Series 2006 A Bonds Reserve Account established by Prior Ordinances);
- (13) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);
- (14) Series 2007 A Bonds Reserve Account established by Prior Ordinances);

- (15) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);
- (16) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);
- (17) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);
- (18) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);
- (19) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);
- (20) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);
- (21) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);
- (22) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);
- (23) Series 2010 F Bonds Sinking Fund (established by Prior Ordinances);
- (24) Series 2010 F Bonds Reserve Account (established by Prior Ordinances);
- (25) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);
- (26) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);
- (29) Series 2012 C Bonds Sinking Fund (established by Prior Ordinances);
- (30) Series 2012 C Bonds Reserve Account (established by Prior Ordinances);
- (27) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);
- (28) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);
- (29) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances);
- (30) Series 2014 B Bonds Reserve Account (established by Prior Ordinances);
- (31) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances);
- (32) Series 2015 A Bonds Reserve Account (established by Prior Ordinances);
- (33) Series 2015 B Bonds Sinking Fund (established by Prior Ordinances);
- (34) Series 2015 B Bonds Reserve Account (established by Prior Ordinances);
- (35) Series 2015 C Bonds Sinking Fund (established by Prior Ordinances);
- (36) Series 2015 C Bonds Reserve Account (established by Prior Ordinances);

- (35) Series 2015 D Bonds Sinking Fund (established by Prior Ordinances);
- (36) Series 2015 D Bonds Reserve Account (established by Prior Ordinances);
- (37) Series 2015 E Bonds Sinking Fund (established by Prior Ordinances);
- (38) Series 2015 E Bonds Reserve Account (established by Prior Ordinances);
- (39) Series 2016 A Bonds Sinking Fund (established by Sewer Treatment Plant Bond Ordinances);
- (40) Series 2016 A Bonds Reserve Account (established by Sewer Treatment Plant Bond Ordinances);
- (41) Series 2016 B Bonds Sinking Fund (established by Sewer Treatment Plant Bond Ordinances);
- (42) Series 2016 B Bonds Reserve Account (established by Sewer Treatment Plant Bond Ordinances);
- (43) Series 2016 C Bonds Sinking Fund (established by Sewer Treatment Plant Bond Ordinances);
- (44) Series 2016 C Bonds Reserve Account (established by Sewer Treatment Plant Bond Ordinances);
- (45) Series 2016 D Bonds Sinking Fund; and
- (46) Series 2016 D Bonds Reserve Account

Section 4.03. System Revenues and Application Thereof. So long as any of the Series 2016 D Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be held by the Board and kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to for payment of interest on the Series 1995 Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2014 B Bonds, Series 2015 A Bonds; (ii) the amounts required by the Sewer Treatment Plant Project Bond Ordinances to be deposited into the respective sinking funds for the payment of interest on the Series 2016 A Bonds, Series 2016 B Bonds and Series 2016 C Bonds; and (iii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2016 D Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2016 D Bonds Sinking Fund, a sum equal to 1/6th of the amount

of interest which will become due on said Series 2016 D Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2016 D Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2016 D Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2016 D Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2016 D Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2016 D Bonds Sinking Fund.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Sinking Funds for the Prior Bonds to pay the payment of principal on the Prior Bonds; (ii) the amounts required by the Sewer Treatment Plant Project Bond Ordinances to be deposited into the respective sinking funds for the payment of principal on the Series 2016 A Bonds, Series 2016 B Bonds and Series 2016 C Bonds; and (iii) for deposit in the Series 2016 D Bonds Sinking Fund (and in the Series 2016 D Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2016 D Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2016 D Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2016 D Bonds on the next ensuing principal payment or mandatory Redemption Date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2016 D Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2016 D Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2016 D Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Reserve Accounts for the Prior Bonds; (ii) the amounts required by the Sewer Treatment Plant Project Bond Ordinances to be deposited into the respective reserve accounts for the Series 2016 A Bonds, Series 2016 B Bonds and Series 2016 C Bonds; and (iii) commencing 13 months prior to the first date of payment of principal of the Series 2016 D Bonds or upon completion of construction of the Water Reservoir Project, whichever is earlier, if not fully funded upon issuance of the Series 2016 D Bonds, for deposit in the Series 2016 D Bonds Reserve Account, an amount equal to 1/120th of the Series 2016 D Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2016 D Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2016 D Bonds Reserve Requirement; provided further, that if the amounts in the Series 2016 D Bonds Reserve Account, as a result of a decrease in value of the Series 2016 D Bonds Reserve Account below the Series 2016 D Bonds Reserve Account Requirement or any withdrawal from the Series 2016 D Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2016 D Bonds Reserve Account, beginning with the first full calendar month following the date on which (i) the valuation of investments in the Series 2016 D Bonds Reserve Account results in a determination that the amount of monies and the value of the

Qualified Investments deposited to the credit of the Series 2016 D Bonds Reserve Account is less than the Series 2016 D Bond Reserve Account Requirement, or (ii) any amount is withdrawn from the Series 2016 D Bonds Reserve Account for deposit into the Series 2016 D Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2016 D Bonds Reserve Account to an amount equal to the Series 2016 D Bond Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2016 D Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2016 D Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2016 D Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2016 D Bond Reserve Account Requirement.

Amounts in the Series 2016 D Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2016 D Bonds when due, when amounts in the Series 2016 D Bonds Sinking Fund are insufficient therefor and for no other purpose.

(4) The Issuer shall next, each month, transfer from the Revenue Fund an amount sufficient to pay current Operating Expenses of the System.

(5) The Issuer shall next, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2.5% 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. Subject to the restrictions contained in the Prior Ordinances so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, or improvements or extensions to the System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) Whenever all of the required and provided for 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.

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2016 D Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2016 D Bonds, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. The monies on deposit in the Revenue Fund and the Renewal and Replacement Fund in excess of the sum insured by the FDIC shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of municipal funds under the laws of the State.

D. Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2015 A Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds, the Series 2016 D Bonds, and any hereinafter issued Additional Parity Bonds all in accordance with the respective principal amounts then Outstanding.

ARTICLE V
INVESTMENTS; NON-ARBITRAGE;
REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer, through the Board, shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall, through the Board, 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 Issuer, through the Board, may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section (unless otherwise required by the Bond Insurer and as set forth in the Supplemental Resolution):

(A) Qualified Investments acquired for the Series 2016 D Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer, through the Board, shall, or shall cause the Bond Commission to, annually transfer from the Series 2016 D Bonds Reserve Account to the Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2016 D Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2016 D Bonds Reserve Account an amount at least equal to the Series 2016 D Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2016 D Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit

in the Series 2016 D Bonds Reserve Account shall, at any time, be less than the applicable Series 2016 D Bonds Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.03(3).

(E) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2016 D Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(F) Notwithstanding the foregoing, all monies deposited in the Series 2016 D Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the Issuer hereby instructs the Mayor to take all actions necessary for the Issuer to comply with the continuing disclosure agreement.

Section 5.03. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2016 D Bonds in such manner and to such extent as may be necessary, so that such Series 2016 D Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Series 2016 D Bonds) so that the interest on the Series 2016 D Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.04. Tax Certificate, Rebates, and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2016 D Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States,

from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefore. The Issuer at its expense may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.04. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.04 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2016 D Bonds from gross income for federal income tax purposes.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2016 D Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2016 D Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2016 D Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. The Series 2016 D Bonds not to be Indebtedness of the Issuer. The Series 2016 D Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the System, the monies in the Series 2016 D Bonds Sinking Fund and all accounts therein, the unexpended proceeds of the Series 2016 D Bonds or monies in the Series 2016 D Bonds Construction Fund, if any, all as herein provided. No Holder or Holders of any Series 2016 D Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2016 D Bonds or the interest thereon.

Section 6.03. Series 2016 D Bonds Secured by Pledge of Gross Revenues and Monies in Series 2016 D Bonds Sinking Fund. The payment of the debt service of all of the Series 2016 D Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System on a parity with one another and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds, the Series 2016 A Bonds, the Series 2016 B Bonds and the Series 2016 C Bonds, and with respect to the Series 2016 D Bonds, all monies and securities in the Series 2016 D Bonds Sinking Fund, including the Series 2016 D Bonds Reserve Account therein, to the extent necessary to make the payments required under Section 4.03. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, the Series

2016 A Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds and the Series 2016 D Bonds herein authorized, and to make the payments into the Series 2016 D Bonds Sinking Fund, including the Series 2016 D Bonds Reserve Account therein, are pledged par passu by the Issuer.

Section 6.04. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law. Copies of such rates and charges so established may be obtained from the Board 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 or continued hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2016 D Bonds and all other obligations secured by a lien on or payable from such Gross Revenues on a parity with the Series 2016 D Bonds, including the Prior Bonds, the Series 2016 A Bonds, the Series 2016 B Bonds and the Series 2016 C Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 120 days following a determination of an Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

The Issuer expressly reserves the right to reduce the rates for the System, whether approved or in effect, as of the date of issuance of the Series 2016 D Bonds in the event that, based on a certificate of an Independent Certified Public Accountant, after any such decrease in rates, the Issuer will meet the requirements of this Section 6.04 and is not in default under any other provision of any ordinance authorizing any bonds or other indebtedness secured by the Gross Revenues of the System.

Section 6.05. Completion of Water Reservoir Project; Operation and Maintenance of the System. The Issuer will complete the Water Reservoir Project as promptly as possible. The Issuer will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of said System in the manner provided in this Ordinance.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Water Reservoir Project.

Section 6.06. Sale of the System. So long as the Prior Bonds, Series 2016 A Bonds, Series 2016 B Bonds or Series 2016 C Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, except as provided by the Prior Ordinances and/or the Sewer Treatment Plant Project Bond Ordinances. Additionally, so long as the Series 2016 D Bonds are Outstanding, the System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition

of the System shall be immediately remitted to the Bond Commission for deposit in the Series 2016 D Bonds Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Revenues of the System.

The foregoing provision notwithstanding, the Board 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 is not in excess of \$1,000,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be used for any lawful purpose of the System. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of \$1,000,000 but not in excess of \$5,000,000, the Board shall first, in writing, obtain the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of \$1,000,000 and not in excess of \$5,000,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

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 shall be in excess of \$5,000,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of any applicable Bond Insurer and the Holders, or their duly authorized representatives, of 60% in amount of Series 2016 D Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer and the then Holders of the Series 2016 D Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, 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 the Gross Revenues with the Series 2016 D Bonds; and all obligations hereafter issued by the Issuer payable from the revenues of the System, except such Additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Series 2016 D Bonds.

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, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2016 D Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2016 D Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds, Series 2016 A Bonds, Series 2016 B Bonds or Series 2016 C Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances and the Sewer Treatment Plant Project Bond Ordinances

authorizing such bonds shall be applicable. In addition, no Additional Parity Bonds, as in this section defined, payable out of the revenues of the System shall be issued after the issuance of the Series 2016 D Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, betterments or improvements for the System, refunding all or a portion of one or more series of the Series 2016 D Bonds issued pursuant hereto, the Series 2016 A Bonds, the Series 2016 B Bonds, the Series 2016 C Bonds, the Prior Bonds, refunding all or a portion of any series or any Additional Parity Bonds hereinafter issued, paying claims which may exist against the revenues or facilities of the System, or all of such purposes.

No such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Certified Public Accountant 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 Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the date of issuance of such Additional Parity Bonds, shall be not less than 115% of the Maximum Annual Debt Service on the following:

- (1) The Series 2016 D Bonds then Outstanding;
- (2) The Prior Bonds, the Series 2016 A Bonds, the Series 2016 B Bonds and the Series 2016 C Bonds then Outstanding;
- (3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and
- (4) The Additional 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 Additional 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 issuance of such Additional 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 Accountant, 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 Additional Parity Bonds.

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean evidence of indebtedness, specifically including, but not limited to, bonds and notes issued under the provisions and within the limitations of the Act and this section, payable from the Gross Revenues of the System on a parity with the Series 2016 D Bonds, the Sewer Treatment Plant Project Bonds and the Prior Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2016 D Bonds, the Series 2016 A Bonds, the Series 2016 B Bonds, the Series

2016 C Bonds and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross 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 Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the System of which is subject to the prior and superior lien of the Series 2016 D Bonds, the Sewer Treatment Plant Project Bonds, the Prior Bonds and any theretofore issued Additional Parity Bonds on such Gross Revenues. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Revenues with the Series 2016 D Bonds except in the manner and under the conditions provided in this section.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Series 2016 D Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in the Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2016 D Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Board and the Issuer during construction of the Water Reservoir Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the Board from claims for bodily injury and/or death and 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 and the Board from claims arising out of operation or ownership of motor vehicles of or for the System; provided, that the Board, with the review of an independent insurance consultant and the concurrence of the Issuer, may elect to self-insure.

If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other municipal water and sewer systems of similar size and type in the State to the extent that such information is available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

C. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the County Commission of Monongalia County prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

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

The Issuer shall require all contractors engaged in the construction of the Water Reservoir 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 Water Reservoir Project covered by the particular contract as security for the faithful performance of such contract.

The Issuer shall also require all contractors engaged in the construction of the Water Reservoir Project to carry such workers' compensation coverage for all employees working on the Water Reservoir 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 Water Reservoir Project.

Section 6.10. Services Rendered to the Board or Issuer. The Board will not render or cause to be rendered any free services of any nature by its System; and, in the event the Board, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself 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 Board, the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Board or the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to

be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.11. Enforcement of Collections. The Issuer shall, through the Board 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 Public Service Commission of West Virginia and other laws of the State of West Virginia.

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Books and Records. The Board will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the System. Any Holder of a Series 2016 D Bond shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Board relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Board. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Board. The Board 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 Board shall be reported to such agent of the Board as it shall direct.

The Issuer or the Board shall, at least once a year, cause the books, records and accounts of the System to be completely audited by an Independent Certified Public Accountant.

Section 6.14. Operating Budget. The Board 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.

Section 6.15. Mandatory Connections. The mandatory use of the sanitary sewerage portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer, and in order to assure the rendering harmless of sewage and waterborne waste matter produced or arising within the territory served by the sanitary sewerage portion of the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the sanitary sewerage portion of the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sanitary sewerage portion of the System.

Any such house, dwelling or building from which emanates sewage or waterborne waste

matter and which is not so connected to the sanitary sewerage portion of the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the residents of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2016 D Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2016 D Bonds and shall be on a parity with all series of the Series 2016 D Bonds and with the statutory mortgage lien in favor of the Holders of the Prior Bonds, the Series 2016 A Bonds, the Series 2016 B Bonds and the Series 2016 C Bonds.

Section 6.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. **PRIVATE BUSINESS USE LIMITATION.** The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2016 D Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2016 D Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2016 D Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2016 D Bonds during the terms thereof is, under the terms of such Series 2016 D Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2016 D Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2016 D Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

B. **PRIVATE LOAN LIMITATION.** The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2016 D Bonds or \$5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. **FEDERAL GUARANTEE PROHIBITION.** The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2016 D Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. **INFORMATION RETURN.** The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2016 D Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. **FURTHER ACTIONS.** The Issuer will take all actions that may be required of it so that the interest on the Series 2016 D Bonds will be and remain excludable from gross income for federal

income tax purposes, and will not take any actions which would adversely affect such exclusion. Without limiting the generality of the foregoing, the Issuer agrees to comply with the provisions of the Tax Certificate, which are hereby incorporated herein. This covenant shall survive payment in full or defeasance of the Series 2016 D Bonds.

Section 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer intends to obtain a Municipal Bond Insurance Policy for the Series 2016 D Bonds. In the event such Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2016 D Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2016 D Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.19. Covenants Regarding the Municipal Bond Debt Service Reserve Insurance Policy. The Issuer intends to obtain a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2016 D Bonds Debt Service Reserve Account in an amount equal to the Series 2016 D Bonds Reserve Requirements. In the event such Municipal Bond Debt Service Reserve Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2016 D Bonds, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.20. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser, the form of which shall be approved by the Supplemental Resolution, sufficient to ensure compliance with Rule 15c2-12, as it may be amended from time to time, and the Mayor is authorized and directed to execute and deliver such Continuing Disclosure Agreement on behalf of the Issuer, with such changes as the Mayor shall approve, such approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by the Mayor. The Mayor and Clerk are further authorized to take all actions necessary for the Issuer to comply with the Continuing Disclosure Agreement.

Section 6.21 Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2016 D Bonds shall be and the same is hereby approved. The form of the Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Mayor is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2016 D Bonds and as the Mayor may approve (the "Official Statement"). The execution of the Official Statement by the Mayor shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.22. Bond Purchase Agreement. The Series 2016 D Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2016 D Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2016 D Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or Supplemental Resolution or in the Series 2016 D Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Bond Insurer; or

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

(D) If default occurs with respect to the Prior Bonds or the Prior Ordinances, or the Series 2016 A Bonds, the Series 2016 B Bonds or the Series 2016 C Bonds or the Sewer Treatment Plant Project Bond Ordinances.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder (with the prior written consent of the applicable Bond Insurer) or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Series 2016 D Bonds, as applicable;

(D) 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 Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute, all pro rata, with respect to the Prior Bonds and the Series 2016 Bonds, in accordance with the respective principal amounts then Outstanding.

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

No waiver of any default or Event of Default hereunder by the Bondholders shall be made without the prior written consent of the applicable Bond Insurer or shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer 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 on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Series 2016 D Bonds, Series 2016 A Bonds, Series 2016 B Bonds, Series 2016 C Bonds and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Series 2016 D Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts 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 Ordinance shall have been cured and made good, and all monies due hereunder or under any Supplemental Resolution have been paid in full, 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 Bondholder 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, 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 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 the Holders of the Series 2016 D Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and the Holders of the Series 2016 D Bonds, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any

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

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Holders of the Series 2016 D Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee representing the Holders of the Series 2016 D Bonds shall consider the effect on the Holders of the Series 2016 D Bonds as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Holders of the Series 2016 D Bonds. In case any Holder of the Series 2016 D Bonds shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Holder of the Series 2016 D Bonds shall be restored to their former positions and rights hereunder, and all rights and remedies of such Holder of the Series 2016 D Bonds shall continue as if no such proceedings had been taken.

ARTICLE VIII **REGISTRAR AND PAYING AGENT**

Section 8.01. Appointment of Registrar. The Registrar for the Series 2016 D Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2016 D Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2016 D Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2016 D Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2016 D Bonds, the first exchange of Series 2016 D Bonds and the exchange of Series 2016 D Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2016 D Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2016 D Bonds, or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2016 D Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately; provided, that in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer or by the Holders of a majority in principal amount of the Series 2016 D Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the applicable Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided, that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2016 D Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Series 2016 D Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The West Virginia Municipal Bond Commission shall initially serve as Paying Agent. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2016 D Bond shall be and remain DTC-Eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from monies available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All monies received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX
DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2016 D Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Gross Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2016 D Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2016 D Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2016 D Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2016 D Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2016 D Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Series 2016 D Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2016 D Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Series 2016 D Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X
MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2016 D Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2016 D Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Holder of the Series 2016 D Bonds or other person, be amended, modified or supplemented in any manner which, in the written opinion of Bond Counsel, does not materially

adversely affect the interests of the Holder of the Series 2016 D Bonds or any Bond Insurer; provided, that in the event any of the Series 2016 D Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Series 2016 D Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made (i) without the written consent of the Holders of 60% in aggregate principal amount of the Series 2016 D Bonds then Outstanding and affected thereby; or (ii) the Bond Insurer. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2016 D Bond without the express written consent of the Holder of such Series 2016 D Bond, nor reduce the percentage of Series 2016 D Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Series 2016 D Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Series 2016 D Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be

destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Series 2016 D Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Series 2016 D Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2016 D Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

CITY

The City of Morgantown
389 Spruce Street
Morgantown, West Virginia 26505
Attention: City Manager

REGISTRAR

[Name(s) and address(s) to be set forth in Supplemental Resolution]

PAYING AGENT

West Virginia Municipal Bond Commission
900 Pennsylvania Avenue
Suite 1117
Charleston, West Virginia 25302
Attn: Executive Director

DEPOSITORY BANK

[Name(s) and address(s) to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER

[Name(s) and address(s) to be set forth in Supplemental Resolution]

BOND INSURER

[Name(s) and address(es) to be set forth in the Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Council, the Board or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2016 D Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2016 D Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2016 D Bonds, the Bond Insurer and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headlines. 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 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Dominion Post*, a newspaper published and having a general circulation in The City of Morgantown, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2016 D Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 2nd day of February, 2016, at 7:00 p.m., in the Council Chambers of the City Hall, Morgantown and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk.

At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

[Remainder of Page Intentionally Left Blank]

Section 10.14. Effective Date.
public hearing hereon in accordance with the Act.

This Ordinance shall become effective following

First Reading:	January 5, 2016
Second Reading:	January 19, 2016
Effective following Public Hearing held on:	February 2, 2016

THE CITY OF MORGANTOWN

Mayor

[SEAL]

ATTEST:

City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of THE CITY OF MORGANTOWN at a regular meeting of the City Council held on February 2, 2016, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in The City of Morgantown, the first publication having been not less than 10 days prior to such public hearing.

Dated this ____ day of _____, 2016.

[SEAL]

City Clerk

EXHIBIT A – FORM OF SERIES 2016 D BONDS

[DTC Legend]

No. DR- _____

\$ _____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 D
(TAX EXEMPT)

INTEREST RATE: MATURITY DATE:

BOND DATE:

CUSIP:

_____ %

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2016 D Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2016 D Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2016 D Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2016 D Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Series 2016 D Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Series 2016 D Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2016 D Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$ _____ designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2016 D" (the "Series 2016 D Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2016, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to finance all or a portion of the cost of acquisition and construction of the Water Reservoir Project; (ii) [to capitalize interest on the Series 2016 D Bonds;] (iii) [to pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2016 D Bonds;] (iv) [to fund a reserve account for the Series 2016 D Bonds/to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2016 D Bonds] in an amount equal to the Series 2016 D Bonds Reserve Requirement; and (v) to pay certain costs of issuance of the Series 2016 D Bonds and related costs. The Series 2016 D Bonds are issued under the authority of and in full compliance with the Constitution and statute of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on _____, 2016, and supplemented by a supplemental resolution adopted by said Council on _____, 2016 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 D Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 D Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

[The Series 2016 D Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Bond Insurer] _____.]

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

(1) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 1995 (WEST VIRGINIA SRF PROGRAM), DATED APRIL 27, 1995, ISSUED IN THE ORIGINAL AGGREGATE

PRINCIPAL AMOUNT OF \$1,601,477 (THE "SERIES 1995 BONDS");

(2) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,842,000 (THE "SERIES 2000 A BONDS");

(3) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,488,000 (THE "SERIES 2000 B BONDS");

(4) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 8, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,812,470 (THE "SERIES 2001 A BONDS");

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$6,410,191 (THE "SERIES 2006 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,500,000 (THE "SERIES 2007 A BONDS");

(7) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$37,950,000 (THE "SERIES 2010 A BONDS");

(8) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$81,600 (THE "SERIES 2010 B BONDS");

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$15,380,227 (THE "SERIES 2010 C BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,317,286 (THE "SERIES 2010 D BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 E (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 E BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF \$7,250,000 (THE "SERIES 2010 F BONDS");

(13) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL

AGGREGATE PRINCIPAL AMOUNT OF \$570,000 (THE "SERIES 2012 A BONDS");

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 C (BANK QUALIFIED), DATED OCTOBER 5, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,330,000 (THE "SERIES 2012 C BONDS");

(15) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,605,260 (THE "SERIES 2013 A BONDS");

(16) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$505,421 (THE "SERIES 2014 B BONDS");

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$137,568 (THE "SERIES 2015 A BONDS");

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,586 (THE "SERIES 2015 B BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 C (WEST VIRGINIA SRF PROGRAM), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,111,813 (THE "SERIES 2015 C BONDS");

(20) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D (WEST VIRGINIA SRF PROGRAM), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,688,394 (THE "SERIES 2015 D BONDS");

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 E (WEST VIRGINIA SRF PROGRAM), DATED JUNE 11, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$662,300 (THE "SERIES 2015 E BONDS"), (COLLECTIVELY, THE PRIOR BONDS");

(22) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A (TAX EXEMPT), [ISSUED CONTEMPORANEOUSLY WITH THE SERIES 2016 D BONDS,] IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "SERIES 2016 A BONDS");

(23) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B (TAX EXEMPT – EXTRAORDINARY REDEMPTION CALL), [ISSUED CONTEMPORANEOUSLY WITH THE SERIES 2016 D BONDS,] IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "SERIES 2016 B BONDS"); AND

(24) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA SRF PROGRAM), [ISSUED CONTEMPORANEOUSLY WITH THE SERIES 2016 D BONDS,] IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE

“SERIES 2016 C BONDS”).

The Series 2016 D Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on and after _____, 20____, are subject to redemption prior to maturity at the option of the Issuer on or after _____, 20____, in whole at any time and in part on any Interest Payment Date, as directed by the Issuer, in reverse order of maturity and by lot within a maturity, at the following Redemption Prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

<u>Period During Which Redeemed</u> <u>(Dates Inclusive)</u>	<u>Redemption</u> <u>Price</u>
---	-----------------------------------

(B) Mandatory Sinking Fund Redemption. The Series 2016 D Bonds maturing on _____, 20____ and 20____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

<u>Bonds Maturing</u>	<u>1, 20</u>
<u>Year (1)</u>	<u>Principal Amount</u>

* Final Maturity

In the event of any redemption of less than all outstanding Series 2016 D Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2016 D Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 D Bonds are to be redeemed, the Series 2016 D Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2016 D Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2016 D Bond or Series 2016 D Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2016 D Bonds or portions of Series 2016 D Bonds so to be

redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2016 D Bonds or portions of Series 2016 D Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2016 D Bond.

The Series 2016 D Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, the Series 2016 A Bonds, the Series 2016 B Bonds and the Series 2016 C Bonds, all monies in the Series 2016 D Bonds Sinking Fund, and the Series 2016 D Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2016 D Bonds, including monies in the Series 2016 D Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2016 D Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2016 D Bonds Sinking Fund and the Series 2016 D Bonds Reserve Account and the unexpended proceeds of the Series 2016 D Bonds, including monies in the Series 2016 D Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2016 D Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2016 D Bonds, including the Prior Bonds, the Series 2016 A Bonds, the Series 2016 B Bonds and the Series 2016 C Bonds and any Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2016 D Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2016 D Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2016 D Bonds except for accrued interest thereon shall be applied solely to pay all or a portion of the costs of Water Reservoir Project, capitalize the interest on the Series 2016 D Bonds for a period of _____, [pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of and interest on the Series 2016 D Bonds], [fund a reserve account for the Series 2016 D Bonds/pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy] in amount equal to the Series 2016 D Bonds Reserve Requirement, and pay costs of issuance of the Series 2016 D Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2016 D Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 D Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 D Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said

special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2016 D Bonds of which this Series 2016 D Bond is one.

This Series 2016 D 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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2016 D Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2016 D Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2016 D Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2016 D Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN (West Virginia) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 D Bond to be dated as of the Series 2016 D Bond Date specified above.

[SEAL]

[Manual or facsimile signature]

Mayor

ATTEST:

[Manual or facsimile signature]

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 D Bond is one of the fully registered Series 2016 D Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 D Bonds.

Dated: _____, 2016.

As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

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

Dated: _____, 20____.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

**THE CITY OF MORGANTOWN, WEST VIRGINIA
COMBINED UTILITY SYSTEM REVENUE BONDS,
SERIES 2016 D (TAX EXEMPT)**

BOND ORDINANCE

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