

THE CITY OF MORGANTOWN
PARKING SYSTEM REFUNDING REVENUE BONDS,
SERIES 2012

SUPPLEMENTAL PARAMETERS RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING PARAMETERS AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE PARKING SYSTEM REFUNDING REVENUE BONDS, SERIES 2012 OF THE CITY OF MORGANTOWN; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE ORIGINAL PURCHASER; APPOINTING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK FOR SUCH BONDS; APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, The City of Morgantown (the "Issuer" or the "City") in the County of Monongalia, State of West Virginia, is a municipal corporation and political subdivision of said State, the governing body of which is its City Council (the "Governing Body");

WHEREAS, the Governing Body has duly and officially enacted on July 3, 2012, an Ordinance (the "Ordinance") entitled:

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE ISSUER'S OUTSTANDING PARKING REVENUE BONDS, SERIES 2002 AND FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF PARKING SYSTEM REFUNDING REVENUE BONDS, SERIES 2012, OF THE ISSUER IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO

EXCEED \$5,500,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX CERTIFICATE, AN OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS IN CONNECTION THEREWITH; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ENACTING OTHER PROVISIONS WITH RESPECT THERETO.

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

WHEREAS, the Ordinance provides for the issuance by the Issuer of its Parking System Refunding Revenue Bonds, Series 2012 in an aggregate principal amount not to exceed \$5,500,000 (the "Series 2012 Bonds" or "Bonds") in accordance with Chapter 8, Article 16 of the Code of West Virginia, 1931, as amended (the "Revenue Bond Act") and Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (the "Refunding Act" and along with the Revenue Bond Act, the "Act");

WHEREAS, the Issuer is advised that current market conditions are such that present value debt service savings would result from the current refunding of its outstanding Parking System Revenue Bonds, Series 2002, dated December 12, 2002, issued in the original aggregate principal amount of \$6,000,000 (the "Series 2002 Bonds") and the Issuer has determined that it is currently in the best interest of inhabitants of the City and other users of the System to currently refund the Series 2002 Bonds pursuant to the issuance of its Series 2012 Bonds;

WHEREAS, the Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Bonds should be established by Supplemental Resolution or by a Certificate of Determinations, that a Registrar, Paying Agent and Depository Bank be designated, that a Registrar Agreement, Tax Certificate and other documents relating to the issuance of the Series 2012 Bonds be approved and that other matters pertaining to the Bonds be provided for by a Supplemental Resolution of the Governing Body or by a Certificate of Determinations, that additional covenants and provisions relating to the Bonds be provided therein, and that other matters pertaining to the Bonds be provided for by a Supplemental Resolution of this Governing Body or by a Certificate of Determinations;

WHEREAS, the Bonds are proposed to be purchased by United Bank, Inc. (the “Original Purchaser”), pursuant to the terms of a Commitment Letter of the Original Purchaser (the “Commitment Letter”); and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental parameters resolution (the “Supplemental Parameters Resolution”) be adopted, that the Tax and Non-Arbitrage Certificate, the Registrar Agreement and the Prepayment Agreement hereinafter provided for be entered into by the Issuer, that the Mayor and City Manager be authorized to execute and deliver such other documents as may be necessary in connection with the issuance of the Series 2012 Bonds and with the current refunding of the Series 2002 Bonds, and that other matters relating to the Bonds be herein provided for all in accordance with the Ordinance;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORGANTOWN:

SECTION 1. For the purposes of (i) paying the entire outstanding principal balance of and all accrued interest on the Issuer’s outstanding Series 2002 Bonds and (ii) paying costs of issuance of the Series 2012 Bonds and related costs, the Governing Body of the Issuer hereby authorizes and orders the issuance of the Series 2012 Bonds in an aggregate principal amount not to exceed \$4,500,000, provided that the Net Present Value of the savings of such refunding shall not be less than 3.0%.

SECTION 2. Pursuant to the Ordinance and the Act, this Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2012 Bonds. The Series 2012 Bonds shall be issued in the aggregate principal amount not to exceed \$4,500,000, bear interest at a rate not to exceed 3.5%, with interest and principal being repaid in semiannual amortizing installment payments, commencing approximately 7 months following the issue date of the Series 2012 Bonds, shall mature not later than December, 2023, shall be dated such date, upon original issuance, shall be subject to such redemption provisions, all as shall subsequently be approved by the Mayor and City Manager pursuant to the execution and delivery by the Mayor and City Manager of a Certificate of Determinations with respect to the Bonds, in the form attached hereto as **EXHIBIT A**, with such changes, insertions, modifications and omissions as may be approved by the Mayor and City Manager of the Issuer, the execution and delivery of such Certificate of Determinations by the Mayor and City Manager being conclusive proof of the approval of such modifications (the “Certificate of Determinations”).

SECTION 3. The form of the Series 2012 Bonds shall be substantially in the form set forth in **EXHIBIT B- Bond Form** attached hereto and made a part hereof, with such amendments, insertions, deletions and modifications as shall be approved by the Mayor and City Manager of the Issuer which approval may be established by

the execution and delivery of such Series 2012 Bonds by the Mayor and City Manager of the Issuer. The final terms of the Series 2012 Bonds shall be approved by the Mayor and City Manager pursuant to their execution and deliver of the Certificate of Determinations, which final terms shall be within the parameters set forth in Section 2 hereof. All other provisions relating to the Series 2012 Bonds shall be as provided in the Ordinance, as the same may be modified hereby.

SECTION 4. The proceeds of the Bonds shall be expended solely for the purposes set forth in the Ordinance.

SECTION 5. The Series 2012 Bonds shall be issued in Authorized Denominations of \$100,000 and any increment of \$500 in excess thereof.

SECTION 6. The second paragraph of Section 3.01 of the Ordinance shall be revised so as to read as follows:

The principal of and interest on the 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. Such payments of principal and interest on the Bonds shall be paid by check or draft of the Paying Agent made payable and mailed to the Registered Owner 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 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; provided, however, that the final payment of the principal of and interest on the Bonds shall be made by the Paying Agent to such Registered Owner upon presentation of such Bonds to the Paying Agent for cancellation or destruction.

SECTION 7. The Series 2012 Bonds shall not be book-entry bonds registered in the name of the Depository Trust Company, but rather such Series 2012 Bonds shall be initially registered in the name of the Original Purchaser. All payments on the Bonds shall be made by the Paying Agent directly to the Registered Owner of the Bonds as of the Record Date immediately preceding such payment date. All notices required by the Ordinance to be provided to the Registered Owners of the Series 2012 Bonds shall be provided by the Issuer to the Registrar and thereupon provided by the Registrar to the Registered Owner of such Series 2012 Bonds.

SECTION 8. A Reserve Account will not be established with the Paying Agent or any other party in connection with the Series 2012 Bonds and no such Reserve Account will be funded in connection with the Series 2012 Bonds. Article V of the Ordinance is here by revised to eliminate any reference to a Reserve Account or the funding of the same in connection with the Series 2012 Bonds.

SECTION 9. The Series 2012 Bonds will be privately placed with the Original Purchaser and such issue will be structured in such a way that SEC Rule

15c2-12 (the "Rule") will either not apply to such issuance or such issuance will qualify for an exemption from such Rule. Thus, the Issuer will not deliver a Rule 15c2-12 Certificate in connection with the issuance of the Series 2012 Bonds and Section 6.04 of the Ordinance shall be revised to the extent inconsistent herewith.

SECTION 10. The name of the Original Purchasers of the Series 2012 Bonds and the notice address for such Original Purchasers as contained in Section 11.06 of the Ordinance shall be revised to such notice address for the Original Purchaser, United Bank, Inc., as shall be provided in the Certificate of Determinations.

SECTION 11. The Ordinance designated Crews & Associates, Inc., Morgantown, West Virginia as the proposed purchaser of the Series 2012 Bonds. Based upon a comparison of projected debt service savings and the proposed structure and terms of the Series 2012 Bonds, the Issuer now desires and does hereby designate United Bank, Inc. as the purchaser of the Series 2012 Bonds.

SECTION 12. The Issuer is advised and hereby finds that based upon the assumed principal amount, maturity schedule and interest rates for the Series 2012 Bonds presented to the Issuer by the Original Purchaser, the Series 2012 Bonds show a net present value debt service savings to the Issuer after deducting all expenses of the refunding of the Series 2002 Bonds and the costs of issuing the Series 2012 Bonds.

SECTION 13. The Tax and Non-Arbitrage Certificate, to be dated the date of execution and delivery of the Bonds (the "Tax Certificate"), and executed and delivered by the Issuer, substantially in the form as shall be approved pursuant to the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor and City Manager thereof shall be and the same are hereby authorized, approved and directed. The Mayor and City Manager shall execute and deliver the Tax Certificate in the form to be approved pursuant to the Certificate of Determinations with such changes, insertions and omissions as may be approved by the Mayor and City Manager. The execution of the Tax Certificate by the Mayor and City Manager shall be conclusive evidence of any approval required by this Section.

SECTION 14. The Registrar Agreement, to be dated the date of execution and delivery of the Bonds, by and between the Issuer and the Registrar named herein (the "Registrar Agreement"), substantially in the form as shall be approved pursuant to the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor and City Manager thereof shall be and the same are hereby authorized, approved and directed. The Mayor and City Manager shall execute and deliver the Registrar Agreement in the form to be approved pursuant to the Certificate of Determinations with such changes, insertions and omissions as may be approved by the Mayor and City Manager. The execution of the Registrar Agreement by the Mayor and City Manager shall be conclusive evidence of any approval required by this Section.

SECTION 15. The Prepayment Agreement, to be dated the date of execution and delivery of the Bonds, by and between the Issuer and the West Virginia Municipal Bond Commission (the "Prepayment Agreement"), substantially in the form as shall be approved pursuant to the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor and City Manager thereof shall be and the same are hereby authorized, approved and directed. The Mayor and City Manager shall execute and deliver the Prepayment Agreement in the form to be approved pursuant to the Certificate of Determinations with such changes, insertions and omissions as may be approved by the Mayor and City Manager. The execution of the Prepayment Agreement by the Mayor and City Manger shall be conclusive evidence of any approval required by this Section.

SECTION 16. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Bonds.

SECTION 17. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Paying Agent for the Series 2012 Bonds.

SECTION 18. The Issuer hereby appoints and designates United Bank, Inc., as the Depository Bank and Registrar for the Bonds.

SECTION 19. The Mayor, City Manager and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, required or desirable in connection with the Bonds to the end that the Bonds may be delivered on a timely basis to the Original Purchaser.

SECTION 20. The notice addresses for the Depository Bank, Paying Agent, Registrar and Original Purchaser shall be set forth and provided in the Certificate of Determinations.

SECTION 21. The issuance of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

SECTION 22. The Issuer hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Series 2012 Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Series 2012 Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The Mayor and City Manger of the Issuer are authorized and directed to execute and deliver such further instruments or agreements as shall be required to provide further assurances of the Issuer's compliance with this covenant.

SECTION 23. The Mayor, City Manager and City Clerk, and all other appropriate officers and employees of the Issuer are hereby authorized, empowered

and directed to do any and all things proper and necessary to cause the Series 2012 Bonds to be duly and properly issued by the Issuer and delivered to the Original Purchaser as herein authorized and to otherwise facilitate the transaction contemplated by this Supplemental Parameters Resolution, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required.

SECTION 24. This Supplemental Parameters Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Left Blank]

Adopted this ____ day of November, 2012.

THE CITY OF MORGANTOWN

[SEAL]

By: _____
Its: Mayor

By: _____
Its: City Manager

Attest:

City Clerk

CERTIFICATION

Certified a true copy of a Supplemental Parameters Resolution duly adopted by the City Council of THE CITY OF MORGANTOWN on November _____, 2012, which Supplemental Parameters Resolution has not been repealed, rescinded, modified, amended or revoked, as of the date hereof.

Dated this _____ day of _____, 2012.

By: _____
City Clerk

627490.00046

6120115

EXHIBIT A

FORM OF CERTIFICATE OF DETERMINATIONS

THE CITY OF MORGANTOWN PARKING SYSTEM REFUNDING REVENUE BONDS, SERIES 2012

CERTIFICATE OF DETERMINATIONS

The undersigned, Ron Manilla, Mayor, and the undersigned Terrence R. Moore, City Manager, of The City of Morgantown (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on _____, 2012 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Parking System Refunding Revenue Bonds, Series 2012 (the "Series 2012 Bonds"), hereby finds and determines as follows:

1. The Series 2012 Bonds shall be issued in the original aggregate principal amount of \$ _____, shall be dated _____, 2012, shall bear interest at the fixed annual percentage rate of ____%, and the principal of and interest on the Series 2012 Bonds shall be payable in _____ equal amortizing semi-annual installment payments in the amount of \$ _____, commencing on _____ 1, 2013, and continuing on each _____ 1 and _____ 1 to and including _____ 1, 20____, which shall be the maturity date of the Series 2012 Bonds (the "Maturity Date"), at which time all principal of and interest on the Series 2012 Bonds not theretofore paid shall become due and payable.
2. The interest rate on the Series 2012 Bonds does not exceed 3.5%, being the maximum interest rate authorized by the Supplemental Parameters Resolution. The Net Present Value of the savings realized from such refunding is not less than 3.0%, which is the minimum savings threshold approved by the Supplemental Parameters Resolution.
3. The Series 2012 Bonds shall [not] be subject to [optional and/or mandatory] redemption as set forth on Schedule 1 attached hereto and incorporated herein.
4. The Series 2012 Bonds shall be sold to United Bank, Inc. (the "Original Purchaser"), pursuant to the terms of a Commitment Letter which has been delivered by the Original Purchaser to the Issuer.
5. The Series 2012 Bonds shall be initially issued in the form of one bond, numbered R-1, in the original aggregate principal amount of

\$ _____, the entire principal amount of which shall initially be registered in the Bond Register maintained by the Registrar in the name of the Original Purchaser.

6. The Series 2012 Bonds shall be issued in authorized denominations of \$100,000 and increments of \$500 in excess thereof.
7. The Record Dates for the Series 2012 Bonds shall be _____ 15 and _____ 15 each year during the term of the Series 2012 Bonds.
8. The Ordinance provides for the designation of Qualified Investments for the proceeds of the Bonds by this Certificate of Determinations. The proceeds of the Bonds are anticipated to be expended on the issue date thereof, or within 30 days thereafter, for the current refunding of the Series 2002 Bonds and the payment of costs of issuance of the Series 2012 Bonds. To the extent that the proceeds of the Bonds are not expended on the closing date or within 30 days thereafter for their intended purposes, such proceeds may be invested in United States Government Obligations maturing at such times and amounts so as to provide funds for the current refunding of the Series 2002 Bonds or in bank Certificates of Deposit which are market priced and either insured or secured by a pledge of United States Government Obligations.
9. Proceeds of the Series 2012 Bonds in the amount of \$ _____ shall be transferred on the issue date to the Paying Agent for deposit in the Series 2002 Bonds Sinking Fund for subsequent application, in combination with other funds on deposit in the Series 2002 Bonds Sinking Fund, to the current refunding and repayment in full of the Series 2002 Bonds.
10. Proceeds of the Series 2012 Bonds in the amount of \$ _____ shall be transferred on the issue date to the Paying Agent in payment of the fees and costs of the Paying Agent in connection with the current refunding of the Series 2002 Bonds and issuance of the Series 2012 Bonds.
11. Proceeds of the Series 2012 Bonds in the amount of \$ _____ shall be transferred on the issue date to the Depository Bank for deposit in the Costs of Issuance Fund for subsequent application by the Issuer to the payment of the Costs of Issuance of the Series 2012 Bonds.
12. There will be no Reserve Account for the Series 2012 Bonds and proceeds of the Series 2012 Bonds will not be applied to the funding of a Reserve Account.

13. The forms of the Tax and Non-Arbitrage Certificate, Registrar's Agreement and Prepayment Agreement attached hereto are hereby approved.
14. The notice addresses for the Depository Bank, Registrar, Original Purchaser and Paying Agent for the Series 2012 Bonds shall be as set forth below or as shall hereafter be designated in writing by such party to the Issuer:

REGISTRAR/DEPOSITORY BANK/ORIGINAL
PURCHASER

United Bank, Inc.

PAYING AGENT

West Virginia Municipal Bond Commission
900 Pennsylvania Avenue, Suite 1117
Charleston, West Virginia 25302
Attn: Executive Director

15. The undersigned hereby certifies that the foregoing terms and conditions of the Series 2012 Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2012 Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

(Remainder of Page Intentionally Blank)

WITNESS my signature this _____ day of _____, 2012.

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

By: _____
Its: City Manger

627490.00046

6120115

SCHEDULE 1
SERIES 2012 A BOND TERMS

Redemption Provisions

[Insert]

FORM OF TAX AND NON-ARBITRAGE CERTIFICATE

[Attached Hereto]

FORM OF REGISTRAR AGREEMENT

[Attached Hereto]

FORM OF PREPAYMENT AGREEMENT

[Attached Hereto]

EXHIBIT B- BOND FORM

THIS BOND IS REGISTERED WITH THE REGISTRAR, UNITED BANK, INC., AND IS NOT REGISTERED WITH THE DEPOSITORY TRUST COMPANY, AND ANY REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT SHOULD BE SUBMITTED TO THE REGISTRAR, UNITED BANK, INC.

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS OR ANY OTHER APPLICABLE SECURITIES LAWS. NEITHER THIS BOND NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE HOLDER OF THIS BOND BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY ONLY (A) TO THE ISSUER, (B) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON THE HOLDER REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (C) TO A "NON U.S. PERSON" IN AN "OFFSHORE TRANSACTION" PURSUANT TO REGULATIONS UNDER THE SECURITIES ACT, (D) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THE BOND FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN "ACCREDITED INVESTOR," FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO IT. THE REGISTERED OWNER OF THIS BOND ALSO AGREES THAT ALL BONDHOLDERS MUST AT ALL TIMES HOLD AN AUTHORIZED DENOMINATION OF THE SERIES 2012 BONDS, WHICH AUTHORIZED DONOMINATIONS EQUAL \$100,000 OR ANY \$1,000 INCREMENT IN EXCESS THEREOF, AND THE BONDHOLDERS AGREE TO TRANFER NO INTEREST IN THE SERIES 2012 BONDS WHICH WOULD CAUSE A VIOLATION OF SUCH REQUIREMENT. THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES THAT IT WILL COMPLY WITH THE FOREGOING RESTRICTIONS.

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN
PARKING REFUNDING REVENUE BOND,
SERIES 2012

No. R-1

\$ _____

THE CITY OF MORGANTOWN, 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 fund provided therefore, as hereinafter set forth, to the order of

- UNITED BANK, INC. -

or registered assigns (the "Registered Owner"), the principal sum of _____ and 00/100 DOLLARS (\$ _____) in lawful money of the United States of America, together with interest thereon at the fixed annual percentage rate of ____ %, from the date of this Bond, in _____ equal amortizing semi-annual installments of principal and interest in the amount of \$ _____, commencing on _____ 1, 2013, and continuing on each _____ 1 and _____ 1 thereafter occurring to and including _____ 1, 20____, which shall be the maturity date of this Bond (the "Maturity Date"), at which time all principal of and interest on this Bond not theretofore paid shall become due and payable. Interest shall be computed on the basis of a year of 365 days and for the actual number of days elapsed during any month or portion thereof.

Notwithstanding any other provision of this Bond to the contrary, in the event of a Determination of Taxability, the rate of interest on this Bond shall be equal to ____% per annum (the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the Date of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Bond is asserted, declared or determined to be subject to federal income taxation, and shall continue until the entire principal of and interest on this Bond is paid, notwithstanding that the entire principal amount of this Bond may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Bond by reason of such increase shall become immediately due and payable. In addition, in the event of a Determination of Taxability, the Registered Owner shall be entitled to payment, on demand, of any Special Charges. Special Charges means (a) an amount equal to any penalties or interest paid to the Internal Revenue Service or to the State of West Virginia by the present and former Registered Owner resulting from the failure to include interest on this Bond in its gross income for purposes of determining its federal income tax or State income tax, plus any tax payable by them as a consequence of the receipt of such amount; plus (b) an amount equal to all reasonable administrative, out-of-pocket and other expenses incurred by the present and former Registered Owner which are directly or indirectly attributable

to interest on this Bond becoming subject to federal or State income tax as a result of the failure to include interest on this Bond in its gross income for purposes of determining its federal or state income tax, including without limitation, costs incurred by the present and former Registered Owner in amending its federal or State tax returns.

As used herein the term "Determination of Taxability" means the interest on the Bonds in whole or in part is included in the gross income of a holder (or former holder) for federal income tax purposes for any reason, the determination of which is manifested by (a) a statutory Notice of Deficiency (90-day letter) from the Internal Revenue Service proposing to include such interest in the income of a holder (or former holder), or (b) delivery to the Registrar or Issuer of an opinion of Bond Counsel acceptable to the Registrar to the effect that (i) as a result of a change in the federal tax laws after the date of the issuance of the Bonds such interest on obligations of the general character of the Bonds will be included in whole or in part in the gross income of the holders thereof (for the purposes of this paragraph, such interest becomes subject to federal income taxation when the President of the United States of America signs such legislation) or (ii) that for any other reason, interest on the Bonds, in whole or in part, is included in the gross income of a holder or former holder of the Bonds; provided, however, no Determination of Taxability shall be deemed to exist if the Issuer shall, within 30 days after such assertion of taxability, cause to be delivered to the Registrar an unqualified opinion of Bond Counsel reasonably acceptable to the holder or former holder to the effect that interest on the Bonds has been and continues to be excludable from gross income for federal income tax purposes, then such holder or former holder shall at the expense of the Issuer contest such assertion of taxability by appropriate administrative proceedings through the Internal Revenue Service Appeals Office, whose determination as to taxability shall be final and binding and upon such determination by the Internal Revenue Service Appeals Office a Determination of Taxability shall be deemed to exist. In any such contest the holder or former holder shall cooperate with the Issuer and toward that end shall (a) give prompt notice of any such assertion and (b) permit the Issuer or its representatives to meet with the representatives of the holder or former holder dealing with the Internal Revenue Service to discuss the issues involved. All other capitalized terms used in this Bond but not defined in this Bond shall have the meaning set forth in the Ordinance (hereinafter defined).

The principal of and interest on this Bond are payable in any coin or currency which on the date of payment thereof 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, as Paying Agent. The Record Dates for the Series 2012 Bonds shall be each _____ 15 and _____ 15 during the term of the Series 2012 Bonds.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$ _____ designated "The City of Morgantown (West Virginia) Parking System Refunding Revenue Bonds, Series 2012" (the "Bonds") of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2012, the proceeds of which are

to be used (i) to finance the costs of currently refunding the Issuer's Parking Revenue Bond, Series 2002, dated December 12, 2002, issued in the original aggregate principal amount of \$6,000,000 (the "Series 2002 Bonds") and (ii) to pay costs of issuance of the Series 2012 Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 16 and Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and an ordinance duly enacted by the Council of the Issuer on _____, 2012, as supplemented by the Supplemental Resolution of the Issuer adopted on _____, 2012 (collectively, 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 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 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 principal of and interest on the Bonds are payable from, and secured by a first lien on the Net Revenues of the Issuer's on-street and off-street motor vehicle parking facilities, together with all related facilities (the "System"), as more particularly described in the Ordinance, and all moneys in the Sinking Fund established under the Ordinance, and the Issuer hereby and in the Ordinance pledges such revenues and moneys to such payment.

The Bonds shall be subject to prepayment at the option of the Issuer, prior to the maturity thereof, in whole, or in part on any semiannual installment payment date, at a prepayment price equal to 100% of the principal amount prepaid, without premium, plus accrued interest at the applicable rate to the date of any such prepayment, and other payments due hereunder. Any partial prepayment shall be in integrals of \$10,000 and shall be applied in such manner so as to reduce the principal amount of Bonds Outstanding, shall be made pro-rata as to each of the Bonds, in proportion to the outstanding principal amount of each such Bond, and the Paying Agent shall thereafter recalculate the installment payments then due on the Bonds. Such partial prepayment shall not affect the final maturity date of the Bonds.

Prepayment shall be made on the date selected by the Issuer, which date shall be not less than 15 days nor more than 45 days after receipt by the Paying Agent of a certificate of the Issuer (i) requesting that the Bonds or portion thereof be prepaid, and (ii) stating the principal amount of the Bonds to be so prepaid, and the date upon which the same will be prepaid.

Notice of prepayment, identifying the Bonds or portions thereof to be prepaid, shall also be given by the Paying Agent by mailing a copy of the prepayment notice by registered or certified mail at least 10 days prior to the date

fixed for prepayment to such Registered Owner of each Bond to be prepaid in whole or in part at the address shown on the Bond Register; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the prepayment of Bonds.

Notice of prepayment having been given in the manner hereinabove provided for, the Bonds or portion thereof shall on the date fixed for prepayment specified in such notice, become due and payable at the proper prepayment price as herein provided, and from and after the date fixed for prepayment (unless the Issuer shall default in the payment of the prepayment price) interest on such Bonds or portion thereof shall cease to accrue, and upon presentation and surrender of such Bonds at the office of any Paying Agent, such Bonds shall be paid at the prepayment price aforesaid.

This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from the sources set forth above. Under the Ordinance, the Issuer has entered into certain covenants with the Registered Owners, for the terms of which reference is made to said Ordinance. Remedies provided the Registered Owners are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth below, this Bond is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia. This Bond is transferable, as provided in the Ordinance, only by transfer of registration upon the books of United Bank, Inc., _____, West Virginia, as Registrar, to be made at the request of the Registered Owner hereof in person or by his attorney duly authorized in writing, and upon surrender hereof, together with a written instrument of transfer satisfactory to said registrar duly executed by the Registered Owner or his duly authorized attorney. Upon transfer hereof, there shall be issued another fully registered Bond or fully registered Bonds of the aggregate principal amount equal to the unpaid amount hereof.

This Bond shall only be transferable by transfer of registration upon the books of the Registrar as provided herein and in the Ordinance. This Bond shall be registered in the Bond Register and such registration shall be noted on this Bond. After such registration, no registration of transfer hereof shall be valid unless made on the Bond Register at the written request of the registered owner or his duly authorized attorney or legal representative and similarly noted on this Bond.

The Bond Registrar shall not be obligated to make any registration or transfer of (a) any Bonds during the 15 day period preceding (i) an interest payment date or (ii) the date of publication or mailing, whichever is earlier, of a notice of redemption, or (b) any Bonds called for redemption.

This Bond is hereby and in the Ordinance designated a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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

All provisions of the Ordinance and the 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.

This Bond shall not be valid or obligatory unless authenticated by the Registrar by the execution of the Registrar’s Certificate of Authentication endorsed hereon.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, The City of Morgantown, has caused this Bond to be signed by its Mayor and City Manager and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated the ____ day of _____, 2012.

The date of original delivery of this Bond is _____, 2012.

THE CITY OF MORGANTOWN

[SEAL]

By: _____
Mayor

By: _____
City Manager

ATTEST:

By: _____
Clerk

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Ordinance.

UNITED BANK, INC., as Registrar

By: _____
Authorized Officer

Date of Delivery: _____, 2012

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the City of Morgantown Parking Refunding Revenue Bond, Series 2012, in the amount of \$ _____ dated _____, 2012, and does hereby irrevocably constitute and appoint _____, attorney, to transfer said Bond on the books of the Registrar on behalf of the City with full power of substitution in the premises.

Dated: _____, _____

IN THE PRESENCE OF:

(No writing on this Bond except by the Registrar)

SCHEDULE OF REGISTERED OWNERS

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of Registrar</u>
_____	<u>United Bank, Inc.</u>	_____
_____	_____	_____
_____	_____	_____

10/22/2012
627490/00046