(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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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of December __, 2016, is executed and delivered by and among The City of Morgantown (the "City") and the Morgantown Utility Board ("MUB" and collectively with the City, the "Issuer"), and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through the services provided by DAC pursuant to this Disclosure Agreement and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted by the Disclosure Dissemination Agent to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Disclosure Representative" means _____, _____or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds, as listed in Exhibit A.

"Trustee" means the institution, if any, identified as such in the document under which the Bonds were issued.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee (if any), not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the last day of the fiscal year immediately following the end of the fiscal year of the Issuer for which such Annual Report is due, commencing with the fiscal year ending June 30, 2017. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which

the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee (if any) for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"

2. "Non-Payment related defaults, if material;"

3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"

4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"

5. "Substitution of credit or liquidity providers, or their failure to perform;"

6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"

7. "Modifications to rights of securities holders, if material;"

8. "Bond calls, if material;"

9. "Defeasances;"

10. "Release, substitution, or sale of property securing repayment of the securities, if material;"

11. "Rating changes;"

12. "Tender offers;"

13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"

14. "Merger, consolidation, or acquisition of the obligated person, if material;" and

15. "Appointment of a successor or additional trustee (if any), or the change of name of a trustee (if any), if material;"

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking;"

2. "change in obligated person;"

3. "notice to investors pursuant to bond documents;"

4. "certain communications from the Internal Revenue Service;"other than those communications included in the Rule;

5. "secondary market purchases;"

6. "bid for auction rate or other securities;"

7. "capital or other financing plan;"

8. "litigation/enforcement action;"

9. "change of tender agent, remarketing agent, or other on-going party;"

10. "derivative or other similar transaction;" and

11. "other event-based disclosures;"

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"

2. "Timing of annual disclosure (120/150 days);"

3. "change in fiscal year/timing of annual disclosure;"

4. "change in accounting standard;"

5. "interim/additional financial information/operating data;"

6. "budget;"

7. "investment/debt/financial policy;"

8. "information provided to rating agency, credit/liquidity provider or other third party;"

9. "consultant reports;" and

10. "other financial/operating data;"

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one fiscal year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 11:59 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure

Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement under the headings: _____.

(b) Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Issuer is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bond holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

    Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee (if any) or the change of name of a trustee (if any), if material.

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the

categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two (2) business days of receipt of such notice (but in any event not later than the tenth (10th) business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Issuer will provide the Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text

of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated, nor does the Issuer assume any ongoing responsibility, pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty (30) days written notice to the Disclosure Dissemination Agent and the Trustee (if any), replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty (30) days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such

counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than twenty (20) days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within ten (10) days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee (if any) for the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By:_____
Name:_____
Title:_____

THE CITY OF MORGANTOWN

By:_____
Name: Marti Shamberger
Title: Mayor

MORGANTOWN UTILITY BOARD

By:_____
Name: J.T. Straface
Title: Chairman

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	The City of Morgantown (West Virginia)
Obligated Person(s)	_____
Name of Bond Issue:	The City of Morgantown (West Virginia) Combined Utility System Revenue Bonds Series 2016 A
Date of Issuance:	December __, 2016
Date of Official Statement	November __, 2016

CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
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CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer:	The City of Morgantown
Obligated Person:	_____
Name of Bond Issue:	The City of Morgantown (West Virginia) Combined Utility System Revenue Bonds Series 2016 A
Date of Issuance:	December __, 2016
Date of Disclosure Agreement:	November __, 2016
CUSIP Number:	_____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of the Issuer

_____

cc:

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

The City of Morgantown

Issuer's Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

_____

Number of pages attached: _____

____ Description of Notice Events (Check One):

1._____"Principal and interest payment delinquencies;"
2._____"Non-Payment related defaults, if material;"
3._____"Unscheduled draws on debt service reserves reflecting financial difficulties;"
4._____"Unscheduled draws on credit enhancements reflecting financial difficulties;"
5._____"Substitution of credit or liquidity providers, or their failure to perform;"
6._____"Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7._____"Modifications to rights of securities holders, if material;"
8._____"Bond calls, if material;"
9._____"Defeasances;"
10._____"Release, substitution, or sale of property securing repayment of the securities, if material;"
11._____"Rating changes;"
12._____"Tender offers;"
13._____"Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14._____"Merger, consolidation, or acquisition of the obligated person, if material;" and
15._____"Appointment of a successor or additional trustee (if any), or the change of name of a trustee (if any), if material."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of December __, 2016 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

The City of Morgantown

Issuer's Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

_____

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1._____"amendment to continuing disclosure undertaking;"
2._____"change in obligated person;"
3._____"notice to investors pursuant to bond documents;"
4._____"certain communications from the Internal Revenue Service;"
5._____"secondary market purchases;"
6._____"bid for auction rate or other securities;"
7._____"capital or other financing plan;"
8._____"litigation/enforcement action;"
9._____"change of tender agent, remarketing agent, or other on-going party;"
10._____"derivative or other similar transaction;" and
11._____"other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of December __, 2016 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

The City of Morgantown

Issuer's Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

_____

Number of pages attached: _____

____ Description of Voluntary Financial Disclosure (Check One):

1._____"quarterly/monthly financial information;"
2._____"change in fiscal year/timing of annual disclosure;"
3._____"change in accounting standard;"
4._____"interim/additional financial information/operating data;"
5._____"budget;"
6._____"investment/debt/financial policy;"
7._____"information provided to rating agency, credit/liquidity provider or other third party;"
8._____"consultant reports;" and
9._____"other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

[APPENDIX G

BOND INSURANCE]

[APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY]

APPENDIX I

SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

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 $29,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM) AND NOT MORE THAN $1,000,000 COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-2 (WEST VIRGINIA SRF PROGRAM/GREEN); 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 BOND PURCHASE AGREEMENTS 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 "Combined Utility System") and has heretofore financed the acquisition and construction of the Combined Utility 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 Combined Utility System;

WHEREAS, the Issuer has determined, and does hereby affirm, that the design, acquisition, construction and equipping of certain extensions, additions, betterments and improvements to the sanitary sewerage collection and treatment portion of the Combined Utility 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 Combined Utility System, including but not limited to Star City treatment plant upgrades, the 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-1 (West Virginia SRF Program), in the aggregate principal amount of not more than $29,000,000 (the "Series 2016 B-1 Bonds"); and

(3) The City of Morgantown, Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green), in the aggregate principal amount of not more than $1,000,000 (the "Series 2016 B-2 Bonds," and, collectively with the Series 2016 B-1 Bonds, the "Series 2016 B Bonds").

WHERAS, the Series 2016 A Bonds, the Series 2016 B-1 Bonds and the Series 2016 B-2 Bonds are collectively referred to herein as the "Sewer Treatment Plant Project Bonds" or the "Series 2016 Bonds;"

WHEREAS, the Issuer has determined to enact this Ordinance and issue the 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; and

WHEREAS, 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 Combined Utility System, and the Series 2016 B-1 Bonds and the Series 2016 B-2 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 Combined Utility 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 Plant Project and any further extensions, additions, betterments and improvements thereto are herein called the "Combined Utility 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 the costs of design, acquisition, construction and equipping of the Sewer Treatment Plant Project through the issuance of two series of combined utility system 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 Combined Utility System Revenue Bonds, in the total aggregate principal amount of not more than $30,000,000 in two or more series (collectively, the "Series 2016 B Bonds"), initially planned to be the (i) Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), in the aggregate principal amount of not more than $29,000,000 (the "Series 2016 B-1 Bonds"); and (ii) Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green), in the aggregate principal amount of not more than $1,000,000 (the "Series 2016 B-2 Bonds"), 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 B 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 B-1 Bonds Reserve Account (as hereinafter defined) or amounts which may be used to purchase a surety bond to fund the Series 2016 B-1 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 B 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 B 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 Combined Utility System after completion of the Sewer Treatment Plant Project is not less than 35 years.

E. It is in the best interests of the Issuer that its Series 2016 B 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 B-1 Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1. 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");

2. 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");

3. 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");

4. 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");

5. 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");

6. 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");

7. 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");

8. 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");

9. 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");

10. 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");

11. 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");

12. 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");

13. 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");

14. 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");

15. 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");

16. 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");

17. 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");

18. 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

19. 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 B Bonds, the Issuer intends to finance the remaining costs of the Sewer Treatment Plant Project through the issuance of the following bonds:

20. 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").

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 2000 A Bonds, Series 2000 B 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 B-1 Bonds on a parity with the Series 2000 A Bonds, Series 2000 B 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 Combined Utility 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 from the operation of the Combined Utility System will be sufficient to pay all costs of operation and maintenance of the Combined Utility 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 Agreements relating to authorization of the acquisition, construction and operation of the Sewer Treatment Plant Project and the Combined Utility System and issuance of the Series 2016 B 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 commencing construction of the Sewer Treatment Plant Project 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 B 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 B 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 B 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 Agreements" means, collectively, the Bond Purchase Agreement and the Loan Agreement, respectively, 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 B-1 Bonds and the Series 2016 B-2 Bonds, respectively, 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 B Bonds for all or a portion of the proceeds of the Series 2016 B Bonds from the Authority and the DEP.

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

"Combined Utility 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 any additions, betterments and improvements thereto hereafter acquired or constructed for the Combined Utility System from any sources whatsoever, both within and without the Issuer.

"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 Combined Utility 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 Combined Utility System.

"Costs" or "Costs of the Project" means those costs described in Section 1.02C hereof to be a part of the cost of design, acquisition, construction and equipping 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 Combined Utility 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

Combined Utility System or for any other purpose except keeping the accounts of the Combined Utility 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 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in any 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 Combined Utility 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 Series 2016 Bonds or Prior Bonds and as of any particular date, describes all Series 2016 Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered, except (i) any Series 2016 Bond or Prior Bond cancelled by the Bond Registrar or Registrar for Prior Bonds, at or prior to said date; (ii) any Series 2016 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 Series 2016 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 Series 2016 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 B Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 2000 A Bonds, Series 2000 B 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 all investments permitted to be made by a municipality and political subdivision under the laws of the State, as enacted as of the date of enactment of this Bond Ordinance in West Virginia Code § 8-13-22a and 8-22-22a, as may be amended or modified from time to time. In the event that the laws of the State would cease to provide guidance on permissible investments, the last applicable law of the State shall control such investments.

"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 Bonds.

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

"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 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" or "Sewer Treatment Plant Project Bonds" means collectively, the Series 2016 A Bonds, Series 2016 B-1 Bonds and Series 2016 B-2 Bonds.

"Series 2016 A Bonds" means Issuer's Combined Utility System Revenue Bonds, Series 2016 A, to be issued simultaneously herewith, in the original aggregate principal amount not to exceed $100,000,000.

"Series 2016 A Ordinance" means the ordinance of the Issuer, as amended and modified, enacted on February 2, 2016 authorizing the issuance of the Series 2016 A Bonds.

"Series 2016 B Bonds" means collectively, the Series 2016 B-1 Bonds and Series 2016 B-2 Bonds.

"Series 2016 B Bonds Construction Trust Fund" means the Series 2016 B Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2016 B-1 Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2016 B-1 Bonds Reserve Account" means the Series 2016 B-1 Bonds Reserve Account established by Section 5.02 hereof.

"Series 2016 B-1 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 B Bonds in the then current or any succeeding year.

"Series 2016 B-1 Bonds Sinking Fund" means the Series 2016 B Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2016 B-2 Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green), of the Issuer, authorized by this Bond Legislation.

"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 Agreements.

"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 B Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2016 B 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 and any hereinafter issued additional parity Bonds.

"Tap Fees" means the fees, if any, paid by prospective customers of the Combined Utility 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 $130,000,000, 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 B 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 $130,000,000, of which not to exceed $30,000,000 will be obtained from proceeds of the Series 2016 B Bonds and not to exceed $100,000,000 will be obtained from the proceeds of the Series 2016 A Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENTS

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2016 B Bonds, if any, funding a reserve account or purchasing a surety bond to fund a reserve account for the Series 2016 B-1 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2016 B 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 B Bonds of the Issuer. The Series 2016 B

Bonds shall be issued in two or more series designated as "Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program)," in the principal amount of not more than $29,000,000, and as "Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green)", in the principal amount of not more than $1,000,000 and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2016 B Bonds remaining after purchasing a surety bond to fund the Series 2016 B-1 Bonds Reserve Account or cash funding the Series 2016 B-1 Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2016 B 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. A. The Series 2016 B-1 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 B-1 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 B-1 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 B-1 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 B-1 Bonds. The Series 2016 B-1 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.

B. The Series 2016 B-2 Bonds shall be issued in such principal amount; shall not bear interest; 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 B-2 Bonds shall be forgivable as to principal.

As provided by the Supplemental Resolution, the Series 2016 B-2 Bonds shall initially be issued in the form of a single bond, fully registered to the Authority and with a record of advances attached, representing the aggregate principal amount of the Series 2016 B-2 Bonds. The Series 2016 B-2 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 B Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such subsequent series of Series 2016 B Bonds shall be in such principal amount, shall bear interest, if any, and shall be dated as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2016 B 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 B Bonds shall cease to be such officer of the Issuer before the Series 2016 B Bonds so signed and sealed have been actually sold and delivered, such Series 2016 B 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 may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2016 B Bonds shall hold the proper office in the Issuer, although at the date of such Series 2016 B 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 B 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 B 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 Series 2016 B Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration 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 of West Virginia, and each successive Holder, in accepting the Series 2016 B 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 B Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Series 2016 B Bonds.

The registered Series 2016 B 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 B Bonds or transferring the registered Series 2016 B Bonds are exercised, all Series 2016 B Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2016 B 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 B 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 B Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2016 B Bonds or, in the case of any proposed redemption of Series 2016 B Bonds, next preceding the date of the selection of Series 2016 B 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 B 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 B 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 Combined Utility System as herein provided. No Holder or Holders of the Series 2016 B Bonds shall ever have the right to

compel the exercise of the taxing power of the Issuer to pay the Series 2016 B 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 A Bonds and the Series 2016 B-1 Bonds shall be secured by a first lien on the Gross Revenues derived from the Combined Utility 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 A Bonds, the Series 2016 B-1 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. The Series 2016 B-2 Bonds are not secured by the lien on the Gross Revenues of the Combined Utility System.

Section 3.09. Delivery of Bonds. 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 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 B 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 B Bonds to the original purchasers;

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

D. An executed copies of the Bond Purchase Agreements; and

E. The unqualified approving opinion of bond counsel on the Series 2016 B Bonds.

Section 3.10. Form of Bonds. The text of the Series 2016 B Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2016 B-1 BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2016 B-1
(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 interest at a rate of ___%. Installments of principal of and interest on 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 of the Issuer (the "Sewer Treatment Plant Project"); [(ii) to fund the Series 2016 B-1 Bonds Reserve Account through the purchase of a municipal bond insurance debt service reserve policy]; and (iii) to pay certain costs of issuance and related costs. The Sewer Treatment Plant Project, and any further extensions, additions, betterments or improvements o the existing combined waterworks, sewerage and stormwater system are herein called the "Combined Utility 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 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");

2. 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");

3. 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");

4. 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");

5. 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");

6. 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");

7. 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");

8. 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");

9. 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");

10. 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");

11. 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");

12. 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");

13. 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");

14. 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");

15. 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");

16. 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");

17. 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");

18. 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

19. 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 LISTED ABOVE, THE "PRIOR BONDS"); AND

20. COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED _____, 2016, ISSUED SIMULTANEOUSLY HEREWITH, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2016 A 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 Combined Utility System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds and the Series 2016 A Bonds and from monies in the Reserve Account created under the Bond Legislation for the Series 2016 B-1 Bonds (the "Series 2016 B-1 Bonds Reserve Account"), and unexpended proceeds of the Series 2016 B-1 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 B-1 Bonds Reserve Account and unexpended proceeds of the Series 2016 B-1 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 Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair

and maintenance of the Combined Utility 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-1 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 B-1 Bonds including the Prior Bonds and the Series 2016 A Bonds; provided however, that, so long as there exists in the Series 2016 B-1 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 B-1 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 B-1 Bonds, including the Prior Bonds and the Series 2016 A 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 B-1 Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Series 2016 B-1 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 Combined Utility 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.

[Remainder of Page Intentionally Blank]

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 B-1 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:

_____

(FORM OF SERIES 2016 B-2 BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-2
(WEST VIRGINIA SRF PROGRAM/GREEN)

No. BR-2 $_____

KNOW ALL MEN BY THESE PRESENTS: That on 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 forgiven, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference. The Series 2016 B-2 Bonds are not subject to the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation).

This Bond shall bear no interest. The principal amounts advanced under the Series 2016 B-2 Bonds will be deemed forgiven on the 30th day of June in the Fiscal Year in which advanced. The Series 2016 B-2 Bonds shall be deemed no longer Outstanding after the last advance is forgiven.

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, Loan Agreement (the "Loan Agreement") by and among the Issuer, the Authority and the DEP, dated _____, 2016.

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 sewerage portion of the existing public combined waterworks, stormwater and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks, stormwater and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "Combined Utility 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 _____, 2016, and a Supplemental Resolution duly adopted by the Issuer on _____, 2016 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof.

THIS BOND IS FORGIVABLE AND HAS NO LIEN ON THE NET REVENUES OR GROSS REVENUES OF THE COMBINED UTILITY SYSTEM.

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 at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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.

[Remainder of Page Intentionally Blank]

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]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2016 B-2 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

_____
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 $_____

(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 Agreements. The Series 2016 B Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Bond Purchase Agreements. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Bond Purchase Agreements 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 Agreements 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 B 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 2000 A Bonds Sinking Fund (established by Prior Ordinances);

(2) Series 2000 A Bonds Reserve Account (established by Prior Ordinances);

(3) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances);

(4) Series 2000 B Bonds Reserve Account (established by Prior Ordinances);

(5) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);

(6) Series 2006 A Bonds Reserve Account (established by Prior Ordinances);

(7) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);

(8) Series 2007 A Bonds Reserve Account (established by Prior Ordinances);

(9) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);

(10) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);

(11) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);

(12) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);

(13) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);

(14) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);

(15) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);

(16) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);

(17) Series 2010 F Bonds Sinking Fund (established by Prior Ordinances);

(18) Series 2010 F Bonds Reserve Account (established by Prior Ordinances);

(19) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);

(20) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);

(21) Series 2012 C Bonds Sinking Fund (established by Prior Ordinances);

(22) Series 2012 C Bonds Reserve Account (established by Prior Ordinances);

(23) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);

(24) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);

(25) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances);

(26) Series 2014 B Bonds Reserve Account (established by Prior Ordinances);

(27) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances);

(28) Series 2015 A Bonds Reserve Account (established by Prior Ordinances);

(29) Series 2015 B Bonds Sinking Fund (established by Prior Ordinances);

(30) Series 2015 B Bonds Reserve Account (established by Prior Ordinances);

(31) Series 2015 C Bonds Sinking Fund (established by Prior Ordinances);

(32) Series 2015 C Bonds Reserve Account (established by Prior Ordinances);

(33) Series 2015 D Bonds Sinking Fund (established by Prior Ordinances);

(34) Series 2015 D Bonds Reserve Account (established by Prior Ordinances);

(35) Series 2015 E Bonds Sinking Fund (established by Prior Ordinances);

(36) Series 2015 E Bonds Reserve Account (established by Prior Ordinances);

(37) Series 2016 A Bonds Sinking Fund (established by Prior Ordinances);

(38) Series 2016 A Bonds Reserve Account (established by Prior Ordinances);

(39) Series 2016 B-1 Bonds Sinking Fund (established by Prior Ordinances); and

(40) Series 2016 B-1 Bonds Reserve Account (established by Prior Ordinances).

No accounts are created for the Series 2016 B-2 Bonds as the principal thereof will be forgiven.

Section 5.03. Combined Utility 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 (i) the amounts required by the Prior Ordinances to pay interest on the 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; (ii) the amounts required by the Series 2016 A Ordinance to pay interest in the Series 2016 A Bonds; and (iii) commencing 4 months prior to the first date of payment of interest on the Series 2016 B-1 Bonds, for deposit in the Series 2016 B-1 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2016 B-1 Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2016 B-1 Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(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; (ii) the amount required by the Series 2016 A Ordinance to pay the principal of the Series 2016 A Bonds; and (iii) to the Commission commencing 4 months prior to the first date of

payment of principal of the Series 2016 B-1 Bonds, for deposit in the Series 2016 B-1 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2016 B-1 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 B-1 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) for deposit in the Series 2016 A Bonds Reserve Account, the amount required by the Series 2016 A Ordinance; and (iii) commencing 4 months prior to the first date of payment of principal of the Series 2016 B-1 Bonds, if not fully funded upon issuance of the Series 2016 B-1 Bonds or otherwise provided for pursuant to a surety bond, for deposit in the Series 2016 B-1 Bonds Reserve Account, an amount equal to 1/120th of the Series 2016 B-1 Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2016 B-1 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-1 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 Combined Utility 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 Combined Utility 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 B-1 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2016 B-1 Bonds, as the same shall become due. Moneys in the Series 2016 B-1 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2016 B-1 Bonds, as the same shall come due, when other moneys in the Series 2016 B-1 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2016 B-1 Bonds Sinking Fund and the Series 2016 B-1 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 B-1 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 B-1 Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2016 B-1 Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2016 B-1 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 B-1 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 B-1 Bonds Sinking Fund or the Series 2016 B-1 Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2016 B-1 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, the Series 2016 A Bonds and the Series 2016 B 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 B-1 Bonds Sinking Fund and Series 2016 B-1 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 B-1 Bonds Sinking Fund and the Series 2016 B-1 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2016 B-1 Bonds Sinking Fund and the Series 2016 B-1 Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2016 B-1 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 B-1 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 Series 2016 B-1 Bond Purchase Agreements.

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 Combined Utility 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 Combined Utility System shall only be used for purposes of the Combined Utility System.

I. All Tap Fees, as received, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the Combined Utility 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 B-1 Bonds Reserve Account with cash or Qualified Investments, satisfy the Series 2016 B-1 Bonds Reserve Requirement by obtaining a municipal bond debt service reserve insurance policy, 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 B-1 Bonds Reserve Requirement. The Issuer hereby authorizes the purchase of, or payment of the premium for, a municipal bond debt service reserve insurance policy, 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 B Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2016 B-1 Bonds, there shall first be deposited with the Commission in the Series 2016 B-1 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 B-1 Bonds, the Issuer may purchase a municipal bond debt service reserve insurance policy, surety bond, letter of credit or other financial instrument to fund the Series 2016 B-1 Bonds Reserve Account as set forth in the Supplemental Resolution, or there shall be deposited with the Commission in the Series 2016 B-1 Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2016 B-1 Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2016 B-1 Bonds and the Series 2016 B-2 Bonds, such moneys shall be deposited with the Depository Bank in the Series 2016 B 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 B-1 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 B Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements From the Series 2016 B 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 B 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 B 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 B 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 Agreements, in compliance with the construction schedule.

Pending such application, moneys in the Series 2016 B 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 B 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 B 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 B 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 B 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 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2016 B 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 A Bonds and the Series 2016 B-1 Bonds shall be secured by a first lien on the Gross Revenues derived from the Combined Utility 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 A Bonds, the Series 2016 B-1 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 Agreements and the Issuer shall supply a certificate of certified public accountant to such effect.

So long as the Series 2016 B Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the Combined Utility 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 Agreements. In the event the schedule of rates, fees and charges initially established for the Combined Utility System in connection with the Series 2016 B Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreements, 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 Agreements.

Section 7.05. Sale of the Combined Utility System. So long as the Prior Bonds and/or the Series 2016 A Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the Combined Utility System, or any part thereof, except as provided in the Prior Ordinances and the Series 2016 A Ordinance, respectively.

Additionally, so long as the Series 2016 B Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority, the Combined Utility 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 Combined Utility System shall, with respect to the Series 2016 B Bonds, immediately be remitted to the Commission for deposit in the Series 2016 B-1 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 B-1 Bonds. Any balance remaining after the payment of the Series 2016 B-1 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 A Bonds, the Series 2016 B-1 Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2016 B Bonds and payable from the revenues of the Combined Utility 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-1 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 B-1 Bonds, and the interest, if any, thereon, upon any of the income and revenues of the Combined Utility System pledged for payment of the Series 2016 B-1 Bonds and the interest, if any, thereon in this Bond Legislation, or upon the Combined Utility 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 Combined Utility System, payable from the revenues of the Combined Utility System or from any grants for the Project, or any other obligations related to the Project or the Combined Utility System.

Section 7.07. Parity Bonds. So long as the Prior Bonds and/or the Series 2016 A Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances and the Series 2016 A Ordinance, respectively, shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the Combined Utility System, shall be issued after the issuance of the Series 2016 B-1 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 B-1 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 Combined Utility 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 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 Combined Utility 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.

The Net Revenues actually derived from the Combined Utility 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 Combined Utility 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 (with the exception of the Series 2016 B-2 Bonds), regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the Combined Utility 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 Combined Utility System is subject to the prior and superior lien of the Series 2016 B-1 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the Combined Utility 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 B-1 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the Combined Utility 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 B Bonds, and shall mail in each year to any Holder or Holders of the Series 2016 B 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 Combined Utility 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 Combined Utility System outstanding.

The Board shall also, at least once a year, cause the books, records and accounts of the Combined Utility 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 B Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2016 B 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 Combined Utility 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 Agreements 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 Agreements 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 Combined Utility System site and Combined Utility 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 Combined Utility System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2016 B Bonds, equitable rates or charges for the use of and service rendered by the Combined Utility 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 Combined Utility 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 Combined Utility System (i) to provide for all Operating Expenses of the Combined Utility 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 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2016 B-1 Bonds, including the Series 2016 A 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 B-1 Bonds Reserve Account, and any reserve accounts for obligations on a parity with the Series 2016 B-1 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 B-1 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2016 B-1 Bonds, including the Series 2016 A 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 Combined Utility 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 Agreements, 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 Agreements, 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 Agreements 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 Combined Utility 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 Combined Utility System during the entire term of the Bond Purchase Agreements. 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, if any, at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers, if any, 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, if any, added to the Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility System and any services and facilities of the waterworks portion of the Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility

System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the Combined Utility System.

Section 7.15. Insurance and Construction Bonds. A. The Board hereby covenants and agrees that so long as the Series 2016 B 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility System.

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE COMBINED UTILITY 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Agreements so require, 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 sanitary sewer facilities of the Combined Utility 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 sanitary sewer portion of the Combined Utility System, and where sanitary sewer from real property affects or drains into the sanitary sewer portion of the Combined Utility System, shall be deemed to be a user served by the sanitary sewer portion of the Combined Utility System

and it is declared that the mandatory use of the sanitary sewer portion of the Combined Utility 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 sanitary sewer portion of the Combined Utility 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 Combined Utility 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 Combined Utility System and all approvals for issuance of the Series 2016 B 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 Agreements and Law. The Issuer and the Board shall perform, satisfy and comply with all the terms and conditions of the Bond Purchase Agreements 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 Combined Utility System.

The Board 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 B 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 B 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 B 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 A Bonds and the Series 2016 B-1 Bonds, a statutory mortgage lien upon the Combined Utility 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 A Bonds and the Series 2016 B-1 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 B Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2016 B 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 B Bonds as may be necessary in order to maintain the status of the Series 2016 B 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 B 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 B 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 B 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 B Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any Series 2016 B 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 B Bonds set forth in this Bond Legislation, any

supplemental resolution or in the Series 2016 B 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 or the Series 2016 A Ordinance.

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 Combined Utility 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 A Bonds and the Series 2016 B-1 Bonds shall be on a parity with on another and 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 Combined Utility System, the making and collection of sufficient rates and charges for services rendered by the Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility 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 Combined Utility System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the Combined Utility 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 ofDefault with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said Combined Utility 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 Combined Utility 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 B-1 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 B-1Bonds 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 B-1 Bonds from gross income for federal income tax purposes, if applicable.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Series 2016 B Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2016 B 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 B Bonds shall be made without the consent in writing of the Registered Owners of the Series 2016 B 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 B 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 B Bonds from gross income of the holders thereof, if applicable.

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 B 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 B 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 B 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: _____, 2016

Passed on Second Reading: _____, 2015

Passed on Final Reading
Following Public Hearing: _____, 2016

THE CITY OF MORGANTOWN

By: _____
Mayor

627490.00049

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 B-1
(WEST VIRGINIA SRF PROGRAM); AND
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-2
(WEST VIRGINIA SRF PROGRAM/GREEN)

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
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project.

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENTS

Section 3.01. Authorization of Bonds.
Section 3.02. Terms of Bonds.
Section 3.03. Execution of Bonds.
Section 3.04. Authentication and Registration.
Section 3.05. Negotiability, Transfer and Registration
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 Agreements.

Section 3.12. Filing of Amended Schedule.

ARTICLE IV
[RESERVED]

ARTICLE V
FUNDS AND ACCOUNTS; COMBINED UTILITY SYSTEM REVENUES 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. Combined Utility System Revenues; Flow of Funds.
Section 5.04. Reserve Account Letter of Credit or Surety Bond.

ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

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Section 6.02. Disbursements From the Series 2016 B Bond Construction Trust Fund.

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

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 Combined Utility 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 Agreements 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

AN ORDINANCE TO APPROVE CURRENT REPLACEMENT PAGES TO THE CITY CODE.

WHEREAS, various ordinances of a general and permanent nature have been passed by Council which should be included in the City Code;

WHEREAS, certain provisions in the Traffic and General Offenses Codes should be revised to comply with current State law;

WHEREAS, the City has heretofore entered into a contract with the Walter H. Drane Company to prepare and publish such revision which is before Council; now, therefore,

THE CITY OF MORGANTOWN HEREBY ORDAINS:

Section 1. That the ordinances of the City of Morgantown, West Virginia, of a general and permanent nature, as revised, recodified, rearranged and consolidated into component codes, chapters, articles and sections within the 2016 Replacement Pages to the City Code are hereby approved and adopted.

Traffic Code

313.05 Flashing Traffic Signals. (Amended)
333.01 Driving Under the Influence. (Amended)
343.07 Stopping for School Bus. (Amended)
343.99 Penalty. (Amended)
345.11 Cowl, Fender and Back-Up Lights. (Amended)
355.01 Definition of All-Terrain and Utility Terrain Vehicle. (Amended)
355.02 Acts Prohibited by Operator. (Amended)

General Offenses Code

521.01 Liquor Control Definitions. (Amended)
521.03 Prohibited Acts Generally. (Amended)
521.04 Unlawful Sale or Possession by Alcoholic Liquor Licensee. (Amended)
521.07 Acts Prohibited by Nonintoxicating Beer License. (Amended)
521.09 Acts Prohibited by Private Club License. (Amended)
529.021 Assault and Battery on Special Providers. (Amended)
533.02 Trespass. (Amended)

Section 2. That this Ordinance shall be effective from the date of its adoption.

FIRST READING:

ADOPTED:

FILED:

RECORDED:

_____
MAYOR

_____
CITY CLERK

The City of Morgantown

Combined Utility System Revenue Bonds, Series 2016 A

SUPPLEMENTAL PARAMETERS RESOLUTION

SUPPLEMENTAL RESOLUTION RE-DESIGNATING THE PREVIOUSLY AUTHORIZED COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A (TAX EXEMPT) AS COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A; PROVIDING PARAMETERS AS TO THE PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A OF THE CITY OF MORGANTOWN; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE ORIGINAL PURCHASER; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, A REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT, A TAX COMPLIANCE POLICY, A CONTINUING DISCLOSURE POLICY, AND OTHER INSTRUMENTS RELATING TO THE BONDS; AUTHORIZING THE PURCHASE OF A MUNICIPAL BOND INSURANCE POLICY AND/OR MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND AMENDMENT AND/OR MODIFICATION OF THE ORDINANCE TO COMPLY THEREWITH; APPOINTING A REGISTRAR, PAYING AGENT AND DISSEMINATION AGENT FOR SUCH BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, The City of Morgantown (the "Issuer") 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 Council (the "Governing Body");

WHEREAS, the Governing Body has duly and officially enacted on February 2, 2015, an Ordinance entitled:

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

WHEREAS, the above-described Ordinance provides for the issuance by the Issuer of its Combined Utility System Revenue Bonds, Series 2016 A (Tax-Exempt) in an aggregate principal amount not to exceed $100,000,000, in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act") for the purposes of financing a portion of the Costs of the Project, as defined in the Series 2016 A Ordinance (as hereinafter defined);

WHEREAS, the Issuer desires to re-designate the Bonds approved in the above-described Ordinance as "Combined Utility System Revenue Bonds, Series 2016 A" and hereby does authorize and approve all amendments and modifications to the above-described Ordinance to reflect such re-designation, as reflected on "EXHIBIT A" attached hereto, and other amendments and modifications, and such amended and modified Ordinance is hereinafter referred to as the "Series 2016 A Ordinance."

WHEREAS, the Series 2016 A Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2016 A Bonds should be established by Supplemental Resolution or by a Certificate of Determinations, that a Registrar, Paying Agent and Dissemination Agent be designated, that a Bond Purchase Agreement, a Continuing Disclosure Agreement, a Registrar Agreement and an Official Statement be approved and that other matters pertaining to the Bonds be provided for by a Supplemental Resolution of the Governing Body or pursuant to a Certificate of Determinations executed by the Mayor, that additional covenants and provisions relating to the Series 2016 A Bonds be provided for therein, and as may be required by any Bond Insurer as a condition to insuring such Series 2016 A Bonds and/or providing a Municipal Bond Debt Service Reserve Insurance Policy for such Series 2016 A Bonds and that other matters pertaining to the Series 2016 A Bonds be provided for by a Supplemental Resolution of this Governing Body or by a Certificate of Determinations executed by the Mayor;

WHEREAS, the Series 2016 A Bonds are proposed to be purchased by Merrill Lynch, Pierce, Fenner & Smith Incorporated (also known as "Bank of America"), and behalf of itself and Citigroup Capital Markets Inc. and Crews & Associates, Inc. (collectively, the "Original Purchaser"), pursuant to a Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof (the "Bond Purchase Agreement");

WHEREAS, the Governing Body has determined that, in order to obtain the best possible terms for the Series 2016 A Bonds, the Mayor, or the Mayor's designee, shall be empowered and authorized to execute the Bond Purchase Agreement, within the parameters set forth herein, at such time as the Mayor shall determine most advantageous to the Issuer, or not at all, and the Mayor shall be authorized to acquire a Municipal Bond Insurance Policy and/or Municipal Bond Debt Service Reserve Insurance Policy, if either, or both, is determined by the Mayor, or the Mayor's designee, to be financially advantageous to the Issuer; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental parameters resolution (the "Series 2016 A Supplemental Parameters Resolution") be adopted, that the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax and Non-Arbitrage Certificate, and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Official

Statement relating to the Series 2016 A Bonds, hereinafter described, be approved, that the Mayor be authorized to enter into the Bond Purchase Agreement within the parameters hereby approved by the Governing Body, and that other matters relating to the Series 2016 A Bonds be herein provided for all in accordance with the Series 2016 A Ordinance;

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

SECTION 1. The previously authorized "Combined Utility System Revenue Bonds, Series 2016 A (Tax Exempt)," are hereby re-designated as "Combined Utility System Revenue Bonds, Series 2016 A" and the Ordinance enacted February 2, 2015 authorizing the issuance of the Bonds to pay a portion of the Costs of the Project is hereby amended and modified as reflected in Exhibit A attached hereto and incorporated herein by reference. For the purposes of (i) paying a portion of the Costs of the Project, (ii) funding a debt service reserve account for the Series 2016 A Bonds either with cash or through the purchase of a Municipal Bond Debt Service Reserve Insurance Policy, (iii) paying, if determined to be financially advantageous to the Issuer, the premium for a Municipal Bond Insurance Policy, and (iv) paying costs of issuance of the Series 2016 A Bonds and related costs, the Governing Body of the Issuer hereby authorizes and orders the issuance of the Series 2016 A Bonds in an aggregate principal amount not to exceed $100,000,000.

SECTION 2. Pursuant to the Series 2016 A Ordinance and the Act, this Series 2016 A Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2016 A Bonds. The Series 2016 A Bonds shall be issued in the aggregate principal amount not to exceed $100,000,000, bear interest at a rate not to exceed 6.0%, payable semiannually, shall mature no later than December 1, 2041, and shall be subject to such redemption provisions, all as shall subsequently be approved by the Mayor, or the Mayor's designee, pursuant to the execution and delivery by the Mayor of a Certificate of Determinations with respect to the Series 2016 A Bonds, dated the date of the Bond Purchase Agreement, the form of which is attached hereto as EXHIBIT B and approved hereby (the "Series 2016 A Certificate of Determinations"). The Series 2016 A Bonds and shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2016 A Bonds shall be as determined by the Mayor at the time of the execution of the Bond Purchase Agreement and as approved by the Mayor in the Certificate of Determinations.

SECTION 3. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form to be approved pursuant to the execution and delivery by the Mayor, or the Mayor's designee, of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Series 2016 A Bonds, including the payment of all necessary fees and expenses in connection therewith.

SECTION 4. Proceeds of the Bonds shall be expended solely for the purposes set forth in the Series 2016 A Ordinance.

SECTION 5. A. The Tax Certificate, to be dated the date of execution and delivery of the Bonds (the "Tax Certificate"), and executed and delivered by the Issuer, in the form to be approved by the Mayor, and the execution and delivery (in multiple counterparts) by the Mayor thereof,

shall be and the same are hereby authorized, approved and directed. The execution of the Tax Certificate by the Mayor shall be conclusive evidence of any approval required by this Section.

B. The Issuer hereby approves the Tax Compliance Policy attached hereto as EXHIBIT C.

SECTION 6. A. The Dissemination Agreement, to be dated the date of execution and delivery of the Series 2016 A Bonds (the "Disclosure Agreement"), by and between the Issuer and Digital Assurance Certification, LLC, in the form to be approved by the Mayor, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The execution of the Disclosure Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

B. The Issuer hereby approves the Continuing Disclosure Policy attached hereto as EXHIBIT D.

SECTION 7. The distribution by the Original Purchaser of a Preliminary Official Statement (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form attached hereto as EXHIBIT E and submitted to this meeting is hereby ratified and approved. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor is hereby approved. The Official Statement to be substantially in the form of the Preliminary Official Statement (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor) and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section.

SECTION 8. The Registrar Agreement by and between the Issuer and the Registrar designated herein, substantially in the form to be approved by the Mayor, and the execution and delivery (in multiple counterparts) by the Mayor thereof, shall be and the same are hereby authorized, approved and directed. The execution of the Registrar Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

SECTION 9. The General Manager and Assistant General Manager of the Morgantown Utility Board ("MUB") are each, individually, hereby authorized to approve invoices and requisitions for payment of Costs of the Project, specifically including, but not limited to, requisitions of proceeds of the Series 2016 A Bonds.

SECTION 10. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel and disclosure counsel to the Issuer in connection with the issuance of the Series 2016 A Bonds.

SECTION 11. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Paying Agent for the Series 2016 A Bonds. The Issuer hereby appoints and designates Digital Assurance Certification, LLC, as dissemination agent for the Series 2016 A Bonds.

SECTION 12. The Issuer hereby appoints and designates United Bank, Inc., Charleston, West Virginia, as the Registrar for the Series 2016 A Bonds. The General Manager of MUB is hereby authorized to designate the depository bank for the proceeds of the Series 2016 A Bonds.

SECTION 13. The Issuer may, if determined to be financially advantageous, acquire a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2016 A Bonds. In the event a Municipal Bond Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to insuring the Series 2016 A Bonds. These additional covenants and provisions shall be set forth in the Series 2016 A Certificate of Determinations, shall apply to the Series 2016 A Bonds, and shall be supplemental to, and amendatory of, the Ordinance and this Series 2016 A Supplemental Parameters Resolution, and shall be controlling in the event any other provisions of the Series 2016 A Ordinance and this Series 2016 A Supplemental Parameters Resolution may be in conflict therewith.

SECTION 14. The Issuer may, if determined to be financially advantageous, acquire a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2016 A Bonds Debt Service Reserve Fund for the Series 2016 A Bonds. In the event a Municipal Bond Debt Service Reserve Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy for the Series 2016 A Bonds Debt Service Reserve Fund. These additional covenants and provisions shall be set forth in the Series 2016 A Certificate of Determinations, shall apply to the Series 2016 A Bonds, and shall be supplemental to, and amendatory of, the Series 2016 A Ordinance and this Series 2016 A Supplemental Parameters Resolution, and shall be controlling in the event any other provisions of the Series 2016 A Ordinance and this Series 2016 A Supplemental Parameters Resolution may be in conflict therewith.

SECTION 15. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, required or desirable in connection with the Series 2016 A Bonds, to the end that the Series 2016 A Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Agreement.

SECTION 16. The notice addresses for the Paying Agent, Registrar and Dissemination Agent shall be as follows:

PAYING AGENT
West Virginia Municipal Bond Commission
900 Pennsylvania Avenue, Suite 1117
Charleston, West Virginia 25301
Attention: Executive Director

REGISTRAR
United Bank, Inc.
500 Virginia Street, East
Charleston, West Virginia 25301
ATTN: Corporate Trust Department

DISSEMINATION AGENT
Digital Assurance Certification, LLC
390 North Orange Avenue
Suite 1750
Orlando, FL 32801-1674

SECTION 17. The financing of a portion of the Costs of the Project with the Proceeds of the Series 2016 A Bonds and issuance of the Series 2016 A 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 18. The Issuer hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Series 2016 A 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 2016 A Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The Mayor of the Issuer is 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 19. The Mayor 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 2016 A 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 Series 2016 A 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 20. This Series 2016 A Supplemental Parameters Resolution shall be effective immediately following adoption hereof.

Adopted this 1st day of November, 2016.

THE CITY OF MORGANTOWN

By: _____

[SEAL] Its: Mayor

Attest:

_____

City Clerk

CERTIFICATION

Certified a true copy of a Series 2016 A Supplemental Parameters Resolution duly adopted by the Council of THE CITY OF MORGANTOWN on November 1, 2016, which Series 2016 A Supplemental Parameters Resolution has not been repealed, rescinded, modified, amended or revoked, as of the date hereof.

Dated: December 1, 2016.

By: _____
City Clerk

627490.00049

EXHIBIT A – SERIES 2016 A SUPPLEMENTAL PARAMETERS RESOLUTION

CONFORMED ORDINANCE

See Tab 1

EXHIBIT B – SERIES 2016 A SUPPLEMENTAL PARAMETERS RESOLUTION

FORM OF CERTIFICATE OF DETERMINATIONS

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2016 A

CERTIFICATE OF DETERMINATIONS

The undersigned, _____, Mayor of The City of Morgantown (the "Issuer"), in accordance with the Series 2016 A Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on November 1, 2016 (the "Series 2016 A Supplemental Parameters Resolution"), with respect to the Issuer's Combined Utility System Revenue Bonds, Series 2016 A (the "Series 2016 A Bonds"), hereby finds and determines this ____ day of November, 2016, as follows:

1. The Series 2016 A Bonds shall be dated December 1, 2016 shall bear interest on _____ 1 and _____ 1 of each year commencing _____, 2017.

2. The Series 2016 A Bonds shall be issued in the aggregate principal amount of $_____. The interest rates on the Series 2016 A Bonds do not exceed 6.0%, being the maximum interest rate authorized by the Series 2016 A Ordinance.

3. The Series 2016 A Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2016 A Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2016 A Bonds shall [not] be subject to [optional and/or mandatory] redemption [as set forth on Schedule 2 attached hereto and incorporated herein.]

6. The Series 2016 A Bonds shall be sold to Merrill Lynch, Pierce, Fenner & Smith Incorporated (also known as "Bank of America"), on behalf of itself and Citigroup Capital Markets Inc. and Crews & Associates, Inc. (collectively, the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and a net original issue discount[premium] of $_____).

7. The forms of the Bond Purchase Agreement, the Tax Certificate, the Disclosure Agreement, the Official Statement, and the Rule 15c2-12 Certificate attached hereto are hereby approved.

8. [The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by _ _____ ("_____") to secure the payment of principal of, and interest on, the Series 2016 A Bonds will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Insurance Policy, and accordingly accepts the

Municipal Bond Insurance Commitment (the "Series 2016 A Insurance Commitment") dated _____, 2016. The Mayor is hereby authorized to execute the Insurance Commitment and deliver the same to _____.]

9. [Pursuant to the Series 2016 A Insurance Commitment, and, as permitted by Section 1_ of the Series 2016 A Supplemental Parameters Resolution, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Insurance Policy for the Series 2016 A Bonds are attached hereto as Exhibit A and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Series 2016 A Ordinance and applicable to the Series 2016 A Bonds.]

10. [The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by _____ ("_____") to fund the Series 2016 A Bonds Reserve Account will result in a cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Debt Service Reserve Insurance Policy, and accordingly accepts the Municipal Bond Debt Service Reserve Insurance Commitment (the "Series 2016 A Reserve Commitment") dated _____, 2016. The Mayor is hereby authorized to execute the Reserve Commitment and deliver the same to _____.]

11. [Pursuant to the Series 2016 A Reserve Commitment, and, as permitted by Section 15 of the Series 2016 A Supplemental Parameters Resolution, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2016 A Bonds Reserve Account are attached hereto as Exhibit B and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Ordinance and applicable to the Series 2016 A Bonds.]

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2016 A Bonds are within the parameters prescribed by the Series 2016 A Supplemental Parameters Resolution, and the Series 2016 A Bonds may be issued with such terms and conditions as authorized by the Series 2016 A Supplemental Parameters Resolution.

WITNESS my signature the day and year first written above.

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

627490.00049

SCHEDULE 1 – CERTIFICATE OF DETERMINATIONS

SERIES 2016 A BOND TERMS

Bond No.	Maturity Date (__ 1)	Principal Amount	Interest Rate	Price or Yield

SCHEDULE 2 – CERTIFICATE OF DETERMINATIONS

REDEMPTION PROVISIONS:

SERIES 2016 A BONDS

[to be inserted after pricing]

EXHIBIT A – CERTIFICATE OF DETERMINATIONS

PROVISIONS RELATING TO MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Commitment

[insert]

EXHIBIT B – CERTIFICATE OF DETERMINATIONS

PROVISIONS RELATING TO MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

Municipal Bond Debt Service Reserve Insurance Commitment

[insert]

EXHIBIT C – SERIES 2016 A SUPPLEMENTAL PARAMETERS RESOLUTION

TAX COMPLIANCE POLICY

THE CITY OF MORGANTOWN (WEST VIRGINIA)

Purpose

Governmental issuers of tax-exempt and tax-credit bonds must comply with certain federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by The City of Morgantown, West Virginia (the *"Issuer"*), as the issuer, with these rules in connection with the issuance of the Issuer's Combined Utility System Revenue Bonds, Series 2016 A (the "*Tax-Exempt Bonds*"). It is understood and agreed by the Issuer, and the Issuer has covenanted to take all actions necessary to maintain the Tax-Exempt Bonds as tax-exempt state and local bonds.

Tax Requirements Associated with Sale and Issuance of Bonds

Review and retention of tax documents related to the sale and issuance of Bonds will be supervised by The City Manager or his designee (the "*Oversight Officer*").

- Form 8038-G (tax exempt bonds) will be reviewed and filed not later than the 15th day of the 2nd calendar month following the quarter in which the bonds were issued. Filing of appropriate version or versions of Form 8038-G will be confirmed with bond counsel.

Expenditure of Proceeds for Governmental Costs

Expenditure of bond proceeds will be reviewed by the Oversight Officer.

- Bond proceeds will be disbursed pursuant to the Bond Ordinance, and will be a written order of an Authorized Officer, stating the date, amount and purpose of the disbursement.

- Requisitions must identify the financed property in conformity with the Tax and Non-Arbitrage Certificate executed by the Issuer at closing, including any certifications as to the character and average economic life of the bond-financed property.

- Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a "declaration of intent" to reimburse the costs was adopted by The City. If

proceeds are used for reimbursement, a copy of the declaration will be obtained and included in the records for the Tax-Exempt Bonds, if not already part of the bond transcript.

- Requisitions will be in accordance with expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the Tax-Exempt Bonds.

- If the 18-month spending exception to rebate applies, expenditure of gross proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable:

  15% within 6 months
  60% within 12 months
  100% within 18 months

- If the 2-year spending exception to rebate applies, expenditure of "available construction proceeds" will be monitored against the following schedule for the arbitrage rebate exception for construction issues if applicable:

  10% within 6 months
  45% within 12 months
  75% within 18 months
  100% within 24 months

Expenditure of Proceeds

In addition to the general review of expenditures described above, expenditure of proceeds of the Tax-Exempt Bonds will be reviewed by the Oversight Officer.

- Reserve funds cannot exceed the least of 10% of bond proceeds, maximum annual debt service, or 125% of average annual debt service. The initial funding of any reserve fund will be measured against this limit.

- Only a small portion (5%) of the proceeds of Tax-Exempt Bonds can be used for operating expenses or other "working capital" costs. Requisitions for costs of the Project will accordingly be monitored to confirm that they are for capital costs of the Project.

- Investment earnings on sale proceeds of the Tax-Exempt Bonds will be tracked and will be requisitioned only for appropriate expenditures.

Use of Bond-Financed Property

Use of bond-financed property when completed and placed in service will be reviewed by the Oversight Officer.

- Average nonexempt use of bond-financed property over the life of the issue cannot exceed 10% of the proceeds.

- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property subject to the Bond Ordinance is bond-financed.

- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit, as set forth in the Tax and Non-Arbitrage Certificate.

- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a "remedial action" under the applicable Income Tax Regulations.

Investments and IRS Filings

Investment of bond proceeds in compliance with the arbitrage bond rules and rebate of arbitrage will be supervised by the Oversight Officer.

- Guaranteed investment contracts ("*GIC*") will be purchased only using the three-bid "safe harbor" of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.

- Other investments will be purchased only in market transactions.

- Calculations of rebate liability will be performed annually by outside consultants.

- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.

- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

Records

Management and retention of records related to tax-exempt bond issues will be supervised by the Oversight Officer.

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

- Retainable records pertaining to the Tax-Exempt Bonds include transcript of documents executed in connection with the issuance of the bonds (including authorizing resolutions, Bond Ordinance, Form 8038-G, and Tax and Non-Arbitrage Certificate) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.

- Retainable records pertaining to expenditures of bond proceeds include requisitions, accounting statements and final allocation of proceeds.

- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use and any reviewed documents relating to unrelated business activity.

- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

Amendment

This Tax Compliance Policy may be amended and/or modified by the Mayor as required from time to time to ensure ongoing compliance by The City with requirements related to tax-exempt bonds, such as the Tax-Exempt Bonds. Such amendments and/or modifications shall not require any action by City Council.

Overall Responsibility

Overall administration and coordination of this policy is the responsibility of the Oversight Officer, as designated by the Mayor.

THE CITY OF MORGANTOWN, WEST VIRGINIA

_____

By: Mayor
Date:

EXHIBIT D – SERIES 2016 A SUPPLEMENTAL PARAMETERS RESOLUTION

CONTINUING DISCLOSURE POLICY

Previously Approved Continuing Disclosure Policy of The City of Morgantown

On File with the City

EXHIBIT E – SERIES 2016 A SUPPLEMENTAL PARAMETERS RESOLUTION

FORM OF PRELIMINARY OFFICIAL STATEMENT

See Attached

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2016

NEW ISSUE
BOOK ENTRY ONLY

RATINGS: Standard & Poor's: ___
Moody's: ___
See "Ratings" herein

In the opinion of Steptoe & Johnson PLLC, Bond Counsel, under existing law and assuming continuing compliance with various requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to the Code and such interest is not a specific item of tax preference for purposes of the Federal individual or corporate alternative minimum taxes; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion that under the laws of the State of West Virginia, as presently written and applied, the Bonds and the interest thereon are exempt from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof. See West Virginia Code Section 8-20-5 and "APPENDIX D – PROPOSED FORM OF BOND COUNSEL OPINION" herein. The above opinions are subject to certain limitations and exceptions. See "TAX MATTERS" herein.

$62,475,000*
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS
SERIES 2016 A

Dated: Date of Delivery

Due: As shown on inside front cover

The Combined Utility System Revenue Bonds, Series 2016 A (the "Series 2016 A Bonds"), are being issued by The City of Morgantown, West Virginia (the "Issuer"), to provide funds, along with the proceeds of the Series 2016 B Bonds (herein defined) and available funds of the Combined Utility System (herein defined): (i) to design, acquire, construct and equip certain additions, betterments and improvements to the sanitary sewerage treatment and collection portion of the Issuer's existing combined potable water, sanitary sewer and stormwater utility system (collectively, the "Project," as herein further described); (ii) to fund the Series 2016 A Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the "Series 2016 A Reserve Policy") from _____ ("_____" or the "Bond Insurer"); [and] (iii) [to pay the premium for a municipal bond insurance policy (the "Series 2016 A Insurance Policy") from the Bond Insurer to secure the payment of the principal of, and interest on, the Series 2016 A Bonds; and (iv)] to pay Costs of Issuance (defined herein) of the Series 2016 A Bonds and related costs. [The Series 2016 A Bonds Reserve Account shall be funded through the Series 2016 A Reserve Policy issued simultaneously with the delivery of the Series 2016 A Bonds by the Bond Insurer in the amount equal to the Series 2016 A Bonds Reserve Requirement. For a description of the Series 2016 A Insurance Policy, the Series 2016 A Reserve Policy and the Bond Insurer, see "SECURITY FOR THE SERIES 2016 A BONDS – Sources of Payment" and "APPENDIX G – BOND INSURANCE" herein.]

Interest on the Series 2016 A Bonds is payable on each June 1 and December 1, commencing June 1, 2017 (each, a "Payment Date"). So long as the Series 2016 A Bonds are maintained under a book-entry system, payments of the principal of, and premium, if any, and interest on, the Series 2016 A Bonds will be made when due by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent") to the registered owners thereof.

The Series 2016 A Bonds are subject to optional and mandatory redemption prior to maturity as set forth herein. See "THE SERIES 2016 A BONDS – Redemption Provisions for Series 2016 A Bonds" herein.

The Series 2016 A Bonds are limited special obligations of the Issuer payable solely from and secured by the Gross Revenues (herein defined) derived from the combined potable water, sanitary sewer and stormwater utility system of the Issuer, which is managed, operated and maintained by the Morgantown Utility Board ("MUB"), and any extensions, improvements and betterments thereto, specifically including, but not limited to, the Project (collectively, the "Combined Utility System"), on a parity with the Series 2016 B Bonds issued concurrently herewith, and the Prior Bonds (herein defined), any Additional Parity Bonds (herein defined) that may hereafter be issued by the Issuer, and from funds on deposit in, or with respect the Series 2016 A Reserve Policy, which funds the Series 2016 A Bonds Reserve Account, and the Series 2016 A Bonds Sinking Fund therein, and the unexpended proceeds of the Series 2016 A Bonds, all as more fully described herein. See "INTRODUCTION – Concurrent Financing for the Project by the Issuer" herein.

The Series 2016 A Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, and the Issuer shall not be obligated to pay the Series 2016 A Bonds or the interest thereon except from the above-referenced Gross Revenues and the Series 2016 A Bonds Sinking Fund and Series 2016 A Bonds Reserve Account therein. The Series 2016 A Bonds shall not be general obligations of the Issuer. Neither the credit nor the taxing power of the Issuer shall be deemed to be pledged to, nor shall any tax ever be levied for, the payment of the principal of or interest on the Series 2016 A Bonds.

The Series 2016 A Bonds are issued in fully registered form in the denomination of $5,000 principal amount or any integral multiple thereof. Purchasers of the Series 2016 A Bonds will not receive certificates representing their interests in the Series 2016 A Bonds purchased. The Series 2016 A Bonds will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York.

[The scheduled payment of principal of and interest on the Series 2016 A Bonds when due will be guaranteed under the Series 2016 A Insurance Policy to be issued simultaneously with the delivery of the Series 2016 A Bonds by the Bond Insurer. For the forms of the Policies, see "APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" and "APPENDIX I – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY" herein.]

This cover page contains only a brief description of the Issuer, the Project, and the Series 2016 A Bonds and the security therefor. This cover page is not a summary of this Official Statement. Investors should read the entire Official Statement, including all Appendices, to obtain information essential to the making of an informed investment decision.

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The City deems this Preliminary Official Statement to be final for the purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information on the cover page hereof and certain pages herein which have been omitted in accordance with said Rule and which will be supplied in the final Official Statement.

The Series 2016 A Bonds are offered for delivery when, as and if issued and received by the Underwriters, subject to prior sale and to withdrawal or modification of the offering, without notice, and to the unqualified approval of legality by Steptoe & Johnson PLLC, Bond Counsel to the Issuer. Steptoe & Johnson PLLC also serves as Disclosure Counsel to the Issuer and MUB in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the Underwriters by Jackson Kelly PLLC, Underwriters' Counsel. Certain legal matters will be passed upon for the Issuer by its City Attorney, Ryan Simonton. Certain legal matters will be passed upon for MUB by its General Counsel, Timothy Stranko. It is expected that the Series 2016 A Bonds will be available for delivery through The Depository Trust Company on or about December __, 2016.

Dated: November __, 2016

BofA Merrill Lynch

Citigroup **Crews & Associates, Inc.**

$62,475,000*
The City of Morgantown (West Virginia)
Combined Utility System Revenue Bonds, Series 2016 A

MATURITIES, AMOUNTS AND INTEREST RATES*

$30,830,000* Serial Bonds

Maturing (Dec. 1)	Principal Amount*	Interest Rate (%)	Yield (%)	CUSIP** Base #446834	Maturing (Dec. 1)	Principal Amount*	Interest Rate (%)	Yield (%)	CUSIP** Base #446834
2017	$920,000				2027	$1,515,000			
2018	$965,000				2028	$1,595,000			
2019	$1,015,000				2029	$1,675,000			
2020	$1,070,000				2030	$1,760,000			
2021	$1,125,000				2031	$1,855,000			
2022	$1,180,000				2032	$1,950,000			
2023	$1,240,000				2033	$2,050,000			
2024	$1,305,000				2034	$2,150,000			
2025	$1,370,000				2035	$2,265,000			
2026	$1,445,000				2036	$2,380,000			

$13,855,000* _____% Term Bonds due December 1, 2041 at _____% CUSIP: ___
$17,790,000* _____% Term Bonds due December 1, 2046 at _____% CUSIP: ___

*Preliminary, subject to change.

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[***Priced to first optional redemption date of _____ 1, 20__]

THE CITY OF MORGANTOWN

MAYOR

Marti Shamberger, Mayor

COUNCIL

Marti Shamberger
Bill Kawecki
Wes Nugent
Nancy Ganz
Ron Bane
Jennifer Selin
Jay Redman

INTERIM CITY MANAGER

Glen Kelly

CITY CLERK

Linda L. Tucker

CITY ATTORNEY FOR THE CITY OF MORGANTOWN

Ryan Simonton, Esquire

MORGANTOWN UTILITY BOARD

J.T. Straface
John Ganz
Ron Bane
Frank Scafella
William Rice

GENERAL MANAGER

Timothy Ball, P.E.

GENERAL COUNSEL FOR MORGANTOWN UTILITY BOARD

Timothy Stranko, Esquire

MUNICIPAL ADVISOR

Public Financial Management, Inc.

BOND COUNSEL

Steptoe & Johnson PLLC

PAYING AGENT

West Virginia Municipal Bond Commission

REGISTRAR

United Bank, Inc.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2016 A Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the Issuer, MUB or the Underwriters to give any information or to make any representations, other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from the Issuer, MUB and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and any expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, MUB or the Combined Utility System since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

The information contained in this Official Statement has been obtained from the Issuer, MUB and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by, any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, MUB or the Combined Utility System.

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 Combined Utility System, and from the funds on deposit in the Series 2016 A Bonds Sinking Fund, and the Series 2016 A Bonds Reserve Account therein, and the unexpended proceeds of the Series 2016 A Bonds, all as herein provided. No Holder or Holders of the Series 2016 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2016 A Bonds or the interest thereon.

[Bond Insurance Policy

_____ makes no representation regarding the Series 2016 A Bonds or the advisability of investing in the Series 2016 A Bonds. In addition, _____ has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding _____, supplied by _____ and presented under the heading SECURITY FOR THE SERIES 2016 A BONDS – Bond Insurance, "APPENDIX G – BOND INSURANCE" and "APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" herein.]

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected," "assumed" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

You should make your own decision whether this offering meets your investment objectives and risk tolerance level. No federal or state securities commission has approved, disapproved, endorsed or recommended

this offering. No independent person has confirmed the accuracy or truthfulness of this disclosure, nor whether it is complete.

The Series 2016 A Ordinance has not been qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom.

The following sentence has been provided by the Underwriters for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Series 2016 A Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency has determined or confirmed the accuracy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2016 A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

$62,475,000*
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A

INTRODUCTION

General

This Official Statement, including the cover page and the Appendices herein, is provided to set forth certain information concerning the issuance by The City of Morgantown, a political subdivision and municipal corporation of the State of West Virginia (the "Issuer"), of $62,475,000* in aggregate principal amount of its Combined Utility System Revenue Bonds, Series 2016 A (the "Series 2016 A Bonds"). The Series 2016 A Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and an ordinance enacted by the Council of the Issuer on February 2, 2016, supplemented by a Supplemental Parameters Resolution adopted by the Council of the Issuer on November 1, 2016, and a Certificate of Determinations executed by the Mayor of the Issuer on November __, 2016 (said ordinance, as so supplemented, is collectively referred to herein as the "Series 2016 A Ordinance").

Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings ascribed thereto in the Series 2016 A Ordinance.

The City of Morgantown

The Issuer is a municipality of approximately 30,000 residents, located in Monongalia County, West Virginia (the "County"). The Issuer, through the Morgantown Utility Board (hereinafter described), provides potable water treatment, storage and distribution service (collectively, the assets specifically including, but not limited to, real and personal property, associated with providing such service, as presently and hereafter existing, the "Water System"), sanitary sewerage collection and treatment service (collectively, the assets specifically including, but not limited to, real and personal property, associated with providing such service, as presently and hereafter existing, the "Sewer System") and stormwater management and containment service (collectively, the assets specifically including, but not limited to, real and personal property, associated with providing such service, as presently and hereafter existing, the "Stormwater System") to the residents of the Issuer, as well as to customers located in surrounding municipalities and unincorporated areas of the County, both directly as retail customers and through bulk sales to surrounding utilities. Pursuant to the Act, the Issuer enacted an ordinance on September 1, 1987 (as supplemented, the "MUB Ordinance"), creating the Morgantown Utility Board ("MUB") for the purpose of operating, managing and maintaining the Water System and the Sewer System as a combined water and wastewater system under the Act. Pursuant to an ordinance enacted by the Council of the Issuer on May 21, 2002, a stormwater utility was created, the management, control and operation of which was vested in MUB. Pursuant to an ordinance enacted by the Council of the Issuer on May 1, 2007, the Stormwater System, was combined with the existing combined water and wastewater system to create a combined water, wastewater and stormwater system, as authorized by the Act (collectively, the "Combined Utility System").

Pursuant to the Act, the Issuer, through its City Council, retains the following authority with respect to MUB and the Combined Utility System:

a. Appointment of the members of the Board of Directors of MUB;

b. Authorization of changes in rates and charges for the Water System, Sewer System and Stormwater System;

c. Issuance of bonds, notes and other debt obligations secured by the revenues from the Combined Utility System; and

d. Approval of capital projects for the Combined Utility System which are not "in the normal course of business."

* Preliminary, subject to change.

The Combined Utility System is an "enterprise" of the Issuer and, as such, the Gross Revenues from, and assets of, the Combined Utility System may only be used for the purposes of the Combined Utility System. Gross Revenues are defined in the Series 2016 A Bond Ordinance as: 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 or any Tap Fees. See "APPENDIX E – FORM OF SERIES 2016 A BOND ORDINANCE" herein.

Morgantown Utility Board

MUB has control over, and is responsible for, all aspects of the management, operation, maintenance, expansion and improvement of the Combined Utility System with the exception of the powers specifically reserved to City Council pursuant to the Act, as set forth herein. MUB operates as an independent and autonomous agency of the City, funded entirely from the Gross Revenues of the Combined Utility System.

MUB provides direct potable water service to approximately 26,000 service connections and direct sewer service to approximately 23,100 service connections. The Stormwater System serves 15,200 customers in the City and surrounding unincorporated areas. MUB provides wholesale potable water and/or wastewater conveyance and treatment to a variety of resale customers which serve, in aggregate, approximately 17,700 customers in their respective service territories. See "THE ISSUER AND THE MORGANTOWN UTILITY BOARD" herein.

Use of the Series 2016 A Bonds Proceeds

The net proceeds from the sale of the Series 2016 A Bonds will be applied as follows: (i) to pay, along with the proceeds of the Series 2016 B Bonds and available funds of the Combined Utility System, the costs to design, acquire, construct and equip certain additions, betterments and improvements to the Sewer System of the Combined Utility System (collectively, the "Project," as hereinafter described); (ii) to fund the Series 2016 A Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the "Series 2016 A Reserve Policy") from _____ ("_____" or the "Bond Insurer"); [and] (iii) [to pay the premium for a municipal bond insurance policy (the "Series 2016 A Insurance Policy") from the Bond Insurer to secure the payment of the principal of, and interest on, the Series 2016 A Bonds; and (iv)] to pay costs of issuance of the Series 2016 A Bonds and related costs. See "INTRODUCTION – Concurrent Financing for the Project by the Issuer" and "PURPOSE AND PLAN OF FINANCING" herein.

The portion of the proceeds of the Series 2016 A Bonds to be used to finance the costs of the Project shall be deposited in a segregated account known as the Series 2016 A Bonds Construction Account. The proceeds of the Series 2016 A Bonds will be invested in Permitted Investments pursuant to the Series 2016 A Ordinance.

Concurrent Financing for the Project by the Issuer

In order to finance the costs of the design, acquisition, construction, and equipping of the Project not to be paid from the proceeds of the Series 2016 A Bonds and available funds of the Combined Utility System, the Issuer intends to, simultaneously with the issuance of the Series 2016 A Bonds, issue its Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), in the aggregate principal amount of $25,000,000 (the "Series 2016 B-1 Bonds) and its Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program-Green), in the aggregate principal amount of $500,000 (the "Series 2016 B-2 Bonds" and, collectively, with the Series 2016 B-1 Bonds, the "Series 2016 B Bonds"). The Series 2016 B Bonds will be purchased by the West Virginia Water Development Authority on behalf of the West Virginia Department of Environmental Protection, Clean Water State Revolving Fund. The Series 2016 B Bonds were authorized by an ordinance of the Issuer enacted on October 4, 2016, as supplemented by a supplemental resolution adopted by the Council of the Issuer on November 1, 2016 (collectively the "Series 2016 B Ordinance"). The West Virginia Department of Environmental Protection, Clean Water State Revolving Fund has issued a commitment letter to MUB confirming the amount, interest rate and tenor of the Series 2016 B Bonds. The Series 2016 B Bonds are not issued on a tax exempt basis and, thus, the Series 2016 A Bonds and the Series 2016 B Bonds are not considered a single issue for federal income tax purposes. Advances of the principal of the Series 2016 B-2 Bonds will be forgiven on the last day of the fiscal year in which such advance is made, until the entire principal amount of the Series 2016 B-2 Bonds is forgiven.

Security and Sources of Payment for the Series 2016 A Bonds

The Series 2016 A Bonds are payable solely from and secured by the Gross Revenues derived from the Combined Utility System of the Issuer, on a parity with the Series 2016 B Bonds and the Prior Bonds (hereinafter defined), and any Additional Parity Bonds (hereinafter defined) that may hereafter be issued by the Issuer as permitted by the Series 2016 A Ordinance (the Series 2016 A Bonds, with the Series 2016 B Bonds, the Prior Bonds and any such Additional Parity Bonds, are collectively referred to herein as the "Bonds"), from the unexpended proceeds of the Series 2016 A Bonds, and from funds on deposit in the Series 2016 A Bonds Sinking Fund, and the Series 2016 A Reserve Policy pledged to, and any funds in, the Series 2016 A Bonds Reserve Account, established for the Series 2016 A Bonds under the Series 2016 A Ordinance. [Additionally, the payment of the principal of and interest on the Series 2016 A Bonds when due will be guaranteed under a municipal bond insurance policy to be issued by _____. See "APPENDIX G – BOND INSURANCE" and "APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" herein.]

The Series 2016 A Bonds are special obligations of the Issuer. The Series 2016 A Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation on indebtedness, and the Issuer shall not be obligated to pay the principal of the Series 2016 A Bonds, or the interest or any premium, thereon, except from the Gross Revenues and funds on deposit in the Series 2016 A Bonds Sinking Fund, the Series 2016 A Bonds Reserve Account established therefor, and the unexpended proceeds of the Series 2016 A Bonds. Pursuant to the Series 2016 A Ordinance, the Issuer has covenanted and agreed that the schedule or schedules of rates and charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 115% of the Maximum Annual Debt Service on the Bonds then outstanding in any Fiscal Year. See "SECURITY FOR THE SERIES 2016 A BONDS – Rate Covenant" herein.

The Series 2016 A Bonds will be dated, will mature, will bear interest and will be subject to redemption prior to maturity as more fully described under the heading "THE SERIES 2016 A BONDS" herein. The Series 2016 A Bonds will initially be maintained under a book-entry system. So long as the Series 2016 A Bonds are maintained under a book-entry system, the manner of payment, the denominations, the transfer and exchange of ownership and the method of providing notice of redemption to the owners of the Series 2016 A Bonds shall be determined as described in "APPENDIX C – BOOK-ENTRY ONLY SYSTEM" herein. If the book-entry system is discontinued for any reason, principal of, and interest and premium, if any, on the Series 2016 A Bonds will be payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent") to the owners thereof at the address appearing in the books kept by United Bank, Inc., Charleston, West Virginia as registrar (the "Registrar"). For further information describing the method of payment and other matters in the event the book-entry system is discontinued, see "THE SERIES 2016 A BONDS" herein and "APPENDIX E – FORM OF SERIES 2016 A BOND ORDINANCE" herein.

There are outstanding obligations of the Issuer which will rank on parity with the Series 2016 A Bonds and the Series 2016 B Bonds as to lien, pledge, source of and security for payment. See "SECURITY FOR THE SERIES 2016 A BONDS" herein. The Issuer may issue additional bonds on parity with the Series 2016 A Bonds, the Series 2016 B Bonds and the Prior Bonds for the purpose of financing the costs of design, acquisition, construction and/or equipping of additions, betterments or improvements to the Combined Utility System, to refund all or a portion of one or more series of Bonds, to pay claims which may exist against the revenues or facilities of the Combined Utility System or all of such purposes, subject in each case to certain tests and conditions provided for in the Series 2016 A Ordinance, the Series 2016 B Ordinance, and the Prior Ordinances. See "SECURITY FOR THE SERIES 2016 A BONDS – Additional Parity Bonds" herein.

Brief descriptions of the Series 2016 A Bonds, the Project, the Combined Utility System, the Series 2016 A Ordinance, certain provisions of the Act and the Undertaking (hereinafter defined) are set forth in this Official Statement, as well as other information in the Appendices herein. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Series 2016 A Ordinance, the Undertaking, the Act and other documents, statutes, reports or instruments are qualified in their entirety by reference to such documents, statutes, reports or instruments. References herein to the Series 2016 A Bonds are qualified in their entirety by reference to the form thereof included in the Series 2016 A Ordinance and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement have the meanings given to them in the Series 2016 A Ordinance. See "APPENDIX E – FORM OF SERIES 2016 A BOND ORDINANCE" herein.

PURPOSE AND PLAN OF FINANCING

The Project

The Series 2016 A Bonds are being issued to: (i) provide funds, along with the proceeds of the Series 2016 B Bonds and available funds of the Combined Utility System, to pay the costs of design, acquisition, construction and equipping of certain additions, betterments and improvements to the Sewer System of the Combined Utility System, specifically including, but not limited to, improvement and expansion of the Star City Wastewater Treatment Plant (the "Star City WWTP") and improvements to the Popenoe Run Interceptor, as more fully described in the following paragraphs, together with all necessary appurtenances (collectively, the "Project"); (ii) fund the Series 2016 A Bonds Reserve Account through the purchase of the Series 2016 A Reserve Policy from the Bond Insurer; [and] (iii) [pay the premium for the Series 2016 A Insurance Policy from the Bond Insurer to secure the payment of the principal of, and interest on, the Series 2016 A Bonds; and (iv)] to pay the costs of issuance of the Series 2016 A Bonds.

The Project has four distinct goals.

1. Increase Treatment Capacity

Increase treatment capacity at the Star City WWTP as part of MUB's Long Term Control Plan (hereinafter defined) (the "LTCP") for management of Combined Sewer Overflows ("CSO's"). Treatment capacity will be increased to 20.8 MGD, allowing CSO discharges throughout the collection system to be reduced, and corresponding increased treatment of the combined sewer flows. While current capacity is 12.0 MGD, recent flows (on an annual average) have approached 11.7 MGD.

2. Improve Processes

Replace obsolete equipment at the Star City WWTP. Fully one third (4.0 MGD of 12.0 MGD) of the existing treatment capacity is provided by rotating biological contactors (the "RBC's"). At approximately 30 years of age, they are now obsolete and are no longer supported by the industry. The 4.0 MGD of RBC capacity will be removed and replaced with 12.8 MGD of state of the art Membrane Bio Reactors ("MBR's"). The 12.8 MGD of MBR capacity will run in parallel with the existing 8.0 MGD of proven and reliable Activated Sludge treatment to provide a total of 20.8 MGD of treatment capacity. Other plant components will also be replaced to totally refurbish the Star City WWTP.

3. Plan for Regional Growth

Provide increased treatment capacity for a growing service area and customer base. The Morgantown area has enjoyed continued long term growth. In addition to general population growth, the service area of MUB steadily expands to serve new areas, either directly or as resale customers. Both trends are expected to continue.

4. Improve Transmission Capacity

Replace and upgrade the existing Popenoe Run Sewer Interceptor ("Popenoe Run"). Popenoe Run is a concrete box culvert, exposed in many areas as it runs along the stream of the same name near the Krepps Park, which is a City owned recreational area and public park. Popenoe Run was constructed nearly eighty years ago. The structure is in poor structural condition and has inadequate conveyance capacity. The replacement pipeline will provide capacity for the existing flow and additional capacity for future demand.

The Morgantown Utility Board opened bids for the Project on September 27, 2016. The Project is divided into 2 construction contracts, and the total construction cost of the Project is $101,300,000*. The Morgantown Utility Board anticipates a forty-three (43) month construction period.

* Preliminary, subject to change

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SOURCES AND USES OF FUNDS

The following table sets forth a summary of the estimated sources and uses of funds relating to the issuance of the Series 2016 A Bonds, Series 2016 B-1 Bonds and the Series 2016 B-2 Bonds and the funding of the Project.

Sources:	Series 2016 A*	Series 2016 B-1 (SRF)	Series 2016 B-2 (SRF, Forgivable Loan)	Total
Bond Proceeds:				
Par Amount	$_____	$_____	$_____	$_____
Premium	_____	_____	_____	_____
MUB Equity Contribution				
Total Sources	$_____	$_____	$_____	$_____
Uses:				
Project Fund Deposits:				
Star City WWTP	$_____	$_____	$_____	$_____
Popenoe Run Project	$_____	$_____	$_____	$_____
Delivery Date Expenses:				
Cost of Issuance	_____	_____	_____	_____
Underwriters' Discount				
	_____	_____	_____	_____
Total Uses	$_____	$_____	$_____	$_____

* Preliminary, subject to change

Please see "DEBT SERVICE REQUIREMENTS" herein for a discussion of the structure of, and debt service payable on, the Series 2016 A Bonds, the Series 2016 B-1 Bonds and the Series 2016 B-2 Bonds.

THE SERIES 2016 A BONDS

General

The Series 2016 A Bonds are dated the date of delivery. 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, Series 2016 A 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 so surrendered. The Series 2016 A Bonds will bear interest from their date, payable semiannually on each June 1 and December 1 in each year (each an "Interest Payment Date"), commencing June 1, 2017, until maturity or until the date fixed for redemption if a Series 2016 A Bond is called for prior redemption and payment on such date as provided for.

Redemption Provisions for Series 2016 A Bonds

Optional Redemption

The Series 2016 A Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after December 1, 20__, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

Mandatory Redemption*

The Term Bonds due December 1, [2041] are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount*
2037	$2,500,000
2038	$2,630,000
2039	$2,765,000
2040	$2,905,000
2041	$3,055,000

** Final Maturity

The Term Bonds due December 1, [2046] are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount*
2042	$3,210,000
2043	$3,375,000
2044	$3,550,000
2045	$3,730,000
2046	$3,925,000

** Final Maturity

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 registered owner of the 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 Registrar.

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

(1) The redemption date,

(2) The redemption price,

* Preliminary, subject to change.

(3) If less than all outstanding Series 2016 A Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2016 A 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 A 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 A 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 of 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.

Book Entry Only System

The Series 2016 A Bonds will be issued as fully registered Series 2016 A Bonds without coupons, in denominations of $5,000 or any integral multiples thereof for any year of maturity. Interest on the Series 2016 A Bonds shall be payable by check or draft made payable and mailed by the Paying Agent, to the Registered Owner thereof as of the applicable Record Date (each May 15 and November 15) or, at the option of any 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 the Record Date by such Registered Owner. Principal of, and interest and 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 thereof at the principal corporate trust office of the Paying Agent.

Ownership of any Series 2016 A Bond may be transferred only by transfer of registration presented to the Registrar 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 his duly authorized attorney or legal representative. Upon any such transfer of a Series 2016 A Bond, there will be issued another Series 2016 A Bond or Series 2016 A Bonds, at the option of the Holder or transferee, of the aggregate principal amount equal to the unpaid amount of the transferred Series 2016 A Bond and of the same series, interest rate and maturity of said transferred Series 2016 A Bond. For every exchange or transfer of Series 2016 A Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. Any applicable tax, governmental charge or charge to reimburse the Registrar for any tax or governmental charge shall be paid by the person requesting such exchange or transfer 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.

Purchasers of the Series 2016 A Bonds will not receive certificates representing their interests in the Series 2016 A Bonds purchased. The Series 2016 A Bonds are available in book-entry form only and will be registered in the name of "Cede & Co." See "APPENDIX C – BOOK-ENTRY ONLY SYSTEM" herein. So long as Cede & Co. is the registered owner of the Series 2016 A Bonds as nominee of The Depository Trust Company, New York, New York, references herein to the Bondholders or registered owners of the Series 2016 A Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2016 A Bonds.

Neither the Issuer nor the Morgantown Utility Board can or does give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series 2016 A Bonds (1) payments of principal of or interest and premium, if any, on the Series 2016 A Bonds, (2) confirmation of beneficial ownership interest in the Series 2016 A Bonds, or (3) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2016 A Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "rules" applicable to DTC are on file with the Securities and Exchange Commission, and the current "procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

None of the Issuer, the Morgantown Utility Board or the Paying Agent shall have any responsibility or obligation to any Direct Participant, Indirect Participant, Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Participant, (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of or interest on the Series 2016 A Bonds, (3) the delivery by DTC or any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Series 2016 A Ordinance to be given to Bondholders, or (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2016 A Bonds.

SECURITY FOR THE SERIES 2016 A BONDS

The Series 2016 A Bonds are special obligations of the Issuer and are payable as to principal, premium, if any, and interest solely from the sources described below. The Issuer is under no obligation to pay the Series 2016 A Bonds except from said sources.

Sources of Payment

The payment of the debt service on the Series 2016 A Bonds shall be secured forthwith equally and ratably by a first lien on and pledge of the Gross Revenues derived from the Combined Utility System, on parity with the Series 2016 B Bonds, the Prior Bonds, any Additional Parity Bonds that may hereafter be issued by the Issuer as permitted by the Series 2016 A Ordinance, and the unexpended proceeds of the Series 2016 A Bonds. The Series 2016 A Bonds are also payable from the funds on deposit in the Series 2016 A Bonds Sinking Fund, and the Series 2016 A Reserve Policy pledged to, and any funds on deposit in, the Series 2016 A Bonds Reserve Account therein. See "APPENDIX E – FORM OF SERIES 2016 A BOND ORDINANCE" herein. Gross Revenues derived from the Combined Utility System in an amount sufficient to pay the principal of, and premium, if any, and interest on, the Series 2016 A Bonds and to make the payments into the Series 2016 A Bonds Sinking Fund and to pay all other payments provided for in the Series 2016 A Ordinance, and the funds on deposit in the Series 2016 A Bonds Sinking Fund, and the Series 2016 A Reserve Policy pledged to, and any funds on deposit in, the Series 2016 A Bonds Reserve Account therein, are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the Series 2016 A Bonds as the same become due and for other purposes provided in the Series 2016 A Ordinance.

[**Bond Insurance**. The payment of the principal of and interest on the Series 2016 A Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2016 A Bonds by _____. Information with respect to the Bond Insurer and the Series 2016 A Insurance Policy is set forth in "APPENDIX G – BOND INSURANCE," and "APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" herein.]

Rate Covenant

Prior to the issuance of the Series 2016 A Bonds, rates and charges for the use of the services and facilities of the Combined Utility System were enacted by the City Council on February 2, 2016 and went into effect on July 1, 2016, all in the manner and form required by law. See "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES" herein. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the Combined Utility System sufficient to make the prescribed payments into the funds and accounts created under the Series 2016 A Ordinance and to pay Operating Expenses. The Issuer has covenanted that such schedule or schedules of rates and charges shall be revised from time to time, 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 covenants and agrees in the Series 2016 A Ordinance that the schedule or schedules of rates and charges for the Combined Utility System from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 115% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year. See "APPENDIX E – FORM OF SERIES 2016 A BOND ORDINANCE" herein.

Series 2016 A Bonds Reserve Account

The Series 2016 A Bonds Reserve Requirement is $_____, which is equal to the least of (i) 10% of the original stated principal amount of the Series 2016 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2016 A Bonds in any fiscal year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2016 A Bonds. The Issuer will obtain a Municipal Bond Debt Service Reserve Insurance Policy from the Bond Insurer in order to fund the Series 2016 A Bonds Reserve Account in the amount equal to the Series 2016 A Bonds Reserve Account Requirement (the "Series 2016

A Reserve Policy"). In the event funds in the Series 2016 A Sinking Fund are insufficient to pay the principal of and/or interest on the Series 2016 A Bonds, the Paying Agent shall submit a Notice of Nonpayment to the Bond Insurer, which will, pursuant to the Series 2016 A Reserve Policy, pay the Paying Agent sufficient amounts to make payments of principal of and/or interest on the Series 2016 A Bonds as the same becomes due, subject to the Series 2016 A Reserve Policy. If the Series 2016 A Reserve Policy is not in effect, the Paying Agent shall withdraw cash from the Series 2016 A Bonds Reserve Account for transfer to the Series 2016 A Bonds Sinking Fund.

Information with respect to the Bond Insurer and the Series 2016 A Reserve Policy is set forth in "APPENDIX G – BOND INSURANCE" and "APPENDIX I – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY" herein. Under the Series 2016 A Reserve Policy, the Issuer is required to repay any draws upon the Series 2016 A Reserve Policy and any administrative expenses incurred by Bond Insurer, together with interest on the draws and the administrative expenses, at a rate equal to _____ (collectively, the "Policy Costs"). Repayment of the Policy Costs must commence in the first month following each draw on the Series 2016 A Reserve Policy, and each monthly payment must be in an amount at least equal to 1/12th of the aggregated Policy Costs related to such draw.

The amount available under the Series 2016 A Reserve Policy will be reduced by, and to the extent of, any payment made pursuant to the Series 2016 A Reserve Policy. Amounts equal to Policy Costs paid to _____, will be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to _____ on account of principal due, the coverage under the Series 2016 A Reserve Policy will be increased by a like amount, subject to the terms of the Series 2016 A Reserve Policy. All cash and investments, if any, in the Series 2016 A Bonds Reserve Account shall be transferred to the Series 2016 A Bonds Sinking Fund for payment of the debt service on the Series 2016 A Bonds before any draw may be made on the Series 2016 A Reserve Policy. The Issuer does not expect there to be any cash or investments in the Series 2016 A Bonds Reserve Account.

If the Series 2016 A Reserve Policy is not in effect, in the event of a transfer from the Series 2016 A Bonds Reserve Account to the Series 2016 A Bonds Sinking Fund as aforesaid, the Issuer shall restore the balance to the Series 2016 A Bonds Reserve Account in an amount up to the Series 2016 A Bonds Reserve Requirement. The transfer of any cash by the Issuer from the Series 2016 A Bonds Reserve Account to the Series 2016 A Bonds Sinking Fund shall be replenished over twelve (12) equal monthly payments.

The Issuer's obligation to repay the Policy Costs or to otherwise replenish the Series 2016 A Bonds Reserve Fund will be secured only by the Gross Revenues, as defined in the Ordinance, derived from the Combined Utility System and the funds on deposit in the Renewal and Replacement Fund.

The Issuer shall be required to replace the Series 2016 A Reserve Policy, or fund the Series 2016 A Bonds Reserve Account with cash, only in the event that the Bond Insurer, or its successor or assign, ceases to be licensed by a state of the United States of America to provide such Series 2016 A Reserve Policy or similar insurance product. In such event, the Issuer shall have twelve (12) months after becoming aware of such event to either provide a new municipal bond debt service reserve insurance policy for, or deposit sufficient cash in, the Series 2016 A Bonds Reserve Account to satisfy the Series 2016 A Bonds Reserve Requirement therefore.

Working Capital Reserve

Pursuant to Chapter 24, Article 1, Section (k) of the Code of West Virginia, 1931, as amended (the "State Code"), effective June 12, 2015, the Combined Utility System is required to ". . . maintain a working capital reserve in an amount of no less than one eighth of actual annual operation and maintenance expense" (the "Working Capital Reserve"). The budget adopted by MUB for the July 1, 2016 to June 30, 2017 fiscal year includes the Working Capital Reserve. In the event that any audited or unaudited year-end financial statement of the Combined Utility System shall find that the Working Capital Reserve for such fiscal year was insufficient, such finding shall not be an event of default with respect to the Series 2016 A Bonds.

Application of Gross Revenues

The entire Gross Revenues derived from the operation of the Combined Utility 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 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 each month, transfer from the Revenue Fund and remit to the Paying Agent:

(i) simultaneously for deposit in the Sinking Funds of the Prior Bonds, the amounts required by the Prior Ordinances to pay the interest on the Prior Bonds; (ii) commencing seven (7) months prior to the first interest payment date of the Series 2016 A Bonds, simultaneously for 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 the 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 more or less than seven (7) months, then such monthly payments shall be decreased or increased proportionately to provide, one (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 there shall be credited against the amount deposited any interest capitalized from the proceeds of the Series 2016 A Bonds and applied to such payment; and (iii) simultaneously for deposit in the Sinking Fund for the Series 2016 B-1 Bonds, the amount required by the Series 2016 B Ordinance to pay interest on the Series 2016 B-1 Bonds. All payments of interest on the Prior Bonds, the Series 2016 A Bonds, and the Series 2016 B Bonds shall be pro rata.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Paying Agent: (i) simultaneously for deposit in the Sinking Funds of the Prior Bonds, the amounts required by the Prior Ordinances to pay the principal of the Prior Bonds; (ii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2016 A Bonds, simultaneously for deposit in the Series 2016 A Bonds Sinking Fund and in the Series 2016 A Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2016 A Bonds on the next ensuing annual principal payment date 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 annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, one (1) month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date; (iii) simultaneously for deposit in the Sinking Fund for the Series 2016 B-1 Bonds, the amount required by the Series 2016 B Ordinance to pay the principal of the Series 2016 B-1 Bonds; and (iv) simultaneously for deposit in the Sinking Fund for the Series 2016 B Bonds, the amount required by the Series 2016 B Ordinance to pay principal on the Series 2016 B Bonds. All payments of principal on the Prior Bonds, the Series 2016 A Bonds, and the Series 2016 B Bonds shall be pro rata.

Monies in the Series 2016 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2016 A Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2016 A Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2016 A Bonds Reserve Account Requirement. Pending such use, such monies shall be invested in accordance with the Series 2016 A Ordinance.

Monies in the Series 2016 B-1 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2016 B-1 Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2016 B-1 Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2016 B-1 Bonds Reserve Account Requirement. Pending such use, such monies shall be invested in accordance with the Series 2016 B Ordinance.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Paying Agent: (i) simultaneously for deposit in the Reserve Accounts of the Prior Bonds, the amount required by the Prior Ordinances; (ii) in the event that the Series 2016 A Reserve Policy is no longer in effect, simultaneously for deposit in the Series 2016 A Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2016 A Bonds Reserve Account below the Series 2016 A Reserve Account Requirement or any withdrawal from the Series 2016 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) 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 Bonds Reserve Account Requirement, or (b) 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 Gross 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 Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided, however, that if the shortfall in the Series 2016 A Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than four (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 on deposit therein shall be equal, respectively, to the Series 2016 A Bonds Reserve Requirement; and (iii) in the event that the Series 2016

B-1 Reserve Account decreases in value to amount less than the Series 2016 B-1 Reserve Account Requirement, simultaneously for deposit in the Series 2016 B-1 Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2016 B-1 Bonds Reserve Account below the Series 2016 B-1 Reserve Account Requirement or any withdrawal from the Series 2016 B-1 Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2016 B-1 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-1 Bonds Reserve Account is less than the Series 2016 B-1 Bonds Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2016 B-1 Bonds Reserve Account for deposit into the Series 2016 B-1 Bonds Sinking Fund. To the extent Gross 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-1 Bonds Reserve Account to an amount equal to the Series 2016 B-1 Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided, however, that if the shortfall in the Series 2016 B-1 Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than four (4) equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2016 B-1 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-1 Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal, respectively, to the Series 2016 B-1 Bonds Reserve Requirement.

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

(5) The Issuer shall next, from the monies remaining in the Revenue Fund, on the first day of each month, transfer to the Renewal and Replacement Fund a sum equal to not less than 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. 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 and extensions to the Combined Utility 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 thereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Enforcement of Collections

The Issuer covenants in the Series 2016 A Ordinance to diligently enforce and collect all fees, rentals or other charges for the services and facilities of the Combined Utility System and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals and other charges that 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. Such fees, rentals and charges, if not paid when due, shall, to the extent allowed by the Act, become a lien on the premises served by the Combined Utility 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 and facilities of the Combined Utility System and will not restore such services of the Combined Utility System until all billing for charges for the services and facilities of the Combined Utility System, including penalties and reconnect fees, have been fully paid, or the customer has entered into a payment agreement. For additional information on MUB's collection policy and history, see "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – MUB Retail Customer Collection Process" and "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – MUB Retail Customer Uncollectible Accounts" herein.

Additional Parity Bonds

So long as the Prior Bonds, Series 2016 B-1 Bonds or Series 2016 B-2 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 the 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, construction or equipping 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-1 Bonds, the Series 2016 B-2 Bonds, or the Prior Bonds, refunding all or a portion of any series of 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-1 Bonds and the Series 2016 B-2 Bonds then Outstanding;

(3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances, the Series 2016 A Ordinance and the Series 2016 B Ordinance 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, the Series B-1 Bonds, the Series B-2 Bonds and the Prior Bonds, and all the covenants and other provisions of the 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-1 Bonds, the Series 2016 B-2 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 the Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the 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 the Ordinance on account of the Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in the 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. See "APPENDIX E – FORM OF SERIES 2016 A BOND ORDINANCE" herein.

Provided, however, that if the audit by an Independent Certified Public Accountant for the Combined Utility System for the Fiscal Year immediately preceding the proposed issuance of Additional Parity Bonds states that the Issuer was not in compliance with the rate covenant in the Series 2016 A Ordinance for the year being audited and the Issuer has, as required by the Series 2016 A Ordinance, enacted a rate ordinance changing the rates and charges for the Combined Utility System to comply with the Series 2016 A Ordinance, such statement in the most recent audit shall not be considered a violation of the covenants, agreements and terms of the Series 2016 A Ordinance, so as to prevent the Issuer from issuing Additional Parity Bonds under the Series 2016 A Ordinance.

The Issuer anticipates that it will from time to time issue Additional Parity Bonds to finance the costs of additions, betterments and improvements to the Combined Utility System and to refinance Bonds heretofore, or hereinafter, issued, including the Water Reservoir Project, which will be financed with the Series 2017 A Bonds (herein defined). See "OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM – Future Bond Issues" herein.

Special Limited Obligations

The Series 2016 A Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation on indebtedness. No registered owner of any Series 2016 A Bond shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2016 A Bonds or the interest or any premium thereon.

[BOND INSURANCE AND RESERVE POLICY]

[The Issuer has applied to, and executed commitments from, the Bond Insurer for the issuance, concurrently with the issuance of the Series 2016 A Bonds, of the Series 2016 A Insurance Policy and the Series 2016 A Reserve Policy. Information regarding the Bond Insurer, the Series 2016 A Insurance Policy and the Series 2016 A Reserve Policy, specifically including "APPENDIX G – BOND INSURANCE," "APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY," and "APPENDIX I – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY," has been furnished by the Bond Insurer for inclusion in this Official Statement. No representation is made by the Issuer nor the Underwriters as to the accuracy, completeness or adequacy of such information or as to the absence of material adverse changes in the condition of the Bond Insurer. Reference is made to "APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" and "APPENDIX I – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY" for specimens of the Series 2016 A Insurance Policy and the Series 2016 A Reserve Policy, which should be read in their entirety.]

[Series 2016 A Insurance Policy]

[Concurrently with the issuance of the Series 2016 A Bonds, the Bond Insurer will issue the Series 2016 A Insurance Policy for the benefit of the holders of the Series 2016 A Bonds. The Series 2016 A Insurance Policy guarantees the scheduled payment of principal of and interest on the Series 2016 A Bonds when due as set forth in the form of the Series 2016 A Insurance Policy included as an appendix in this Official Statement.]

[The Series 2016 A Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.]

[Series 2016 A Reserve Policy]

[Concurrently with the issuance of the Series 2016 A Bonds, the Bond Insurer will issue the Series 2016 A Reserve Policy for the Series 2016 A Bonds. The Series 2016 Reserve Policy is issued in an amount equal to the Series 2016 A Reserve Requirement and is pledged to the Series 2016 A Bonds Reserve Account.]

THE ISSUER AND THE MORGANTOWN UTILITY BOARD

The City of Morgantown is the county seat of Monongalia County, located along the Monongahela River and close to the Pennsylvania border in north central West Virginia. Morgantown is the home of West Virginia University, the largest institution of higher education in the State with an annual enrollment of approximately 29,000 students. The City is the medical, cultural, and commercial hub of the region. The population of Morgantown is estimated to be 30,000.

Morgantown and Monongalia County offer "Mountains of Opportunity" for business development and expansion. This is one of the major growth areas in the State. Monongalia County was the only north central county to realize population growth for the last 20 years, and it has been one of the fastest growing counties in the State over the last two decades.

Morgantown and Monongalia County have consistently seen some of the lowest unemployment rates in the State. Major employers in the area include the National Institute of Occupational Safety and Health (NIOSH), Mylan Pharmaceuticals, and West Virginia University.

One-half of the population of the United States and one-third of the population of Canada is within a 500-mile radius of Morgantown. The City is one day's drive from 6 of the 8 largest U.S. metropolitan areas, 20 metro areas with populations of 1 million or more, and 22 of the nation's top 35 industrial markets. See "APPENDIX A – THE CITY OF MORGANTOWN (WEST VIRGINIA) ECONOMIC AND DEMOGRAPHIC DATA" herein.

Audited Financial Statements

The Series 2016 A Bonds are payable only from the Gross Revenues of the Combined Utility System, which are pledged to their payment, and the unexpended proceeds of the Series 2016 A Bonds. No other funds of the Issuer are available for, or expected to be used to, pay the principal of, or interest on, the Series 2016 A Bonds. Likewise, the Gross Revenues of the Combined Utility System are not used for other purposes of the Issuer. Accordingly, detailed information regarding the Issuer has not been included in this Official Statement. The audited financial statements of the Morgantown Utility Board for the fiscal year ended June 30, 2015 are included in Appendix B herein. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE MORGANTOWN UTILITY BOARD FOR FISCAL YEAR ENDED JUNE 30, 2016" herein.

Morgantown Utility Board

The Morgantown Utility Board is a municipally owned and operated utility providing potable water, sanitary sewer, and stormwater services directly to the residents of The City of Morgantown and to customers in certain surrounding municipalities and unincorporated areas of Monongalia County, as well as bulk water sales and sanitary sewer transmission and treatment to certain potable water and wastewater utilities owned and operated by nearby municipalities and public service districts (collectively, the "Resale Customers"). MUB was created in 1987 by ordinance enacted on September 1, 1987 by the Council of The City of Morgantown under the provisions of the Act. The former Morgantown Water Commission and the Morgantown Sanitary Board were merged in 1987 to create MUB and the combined waterworks and sewerage system. On May 21, 2002, the Council of the Issuer enacted an ordinance creating a stormwater utility and expanding the authority of MUB to include the Stormwater System. By ordinance enacted on May 1, 2007, the City Council enacted an ordinance combining the existing combined waterworks and sewerage system and the Stormwater System to create a combined waterworks, sewerage and stormwater system which presently exists.

The Combined Utility System includes direct potable water service to approximately 26,000 connections and direct sewer service to approximately 23,100 service connections. MUB also provides bulk water sales to approximately 12,500 customer accounts and bulk sewerage treatment for surrounding districts. The Stormwater System serves 15,200 customers.

MUB's assets are valued at over $223,000,000. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE MORGANTOWN UTILITY BOARD FOR FISCAL YEAR ENDED JUNE 30, 2016" herein. These assets include the main wastewater treatment plant in Star City, a wastewater treatment plant at Cheat Lake, and the water treatment plant in Morgantown. In addition, the Combined Utility System includes approximately 411 miles of water distribution lines, 298 miles of sewerage collection and transmission lines, and approximately 225 miles of stormwater management lines. MUB operates with approximately 150 employees.

MUB Board of Directors

Pursuant to the Act and the MUB Ordinance, MUB is overseen and directed by a Board of Directors appointed by the City Council (the "Board"). The Board is comprised of five residential customers of MUB appointed for staggered terms of five years. In addition to being customers of the Combined Utility System, up to two MUB members may be residents of Monongalia County residing outside of the Issuer's corporate boundaries. The remaining three members must be residents of the Issuer. The Board is responsible to oversee the management, control and operation of the Combined Utility System. The Board selects a chairman and other officers from its members annually. The names, offices and summary biographical information of the current members of the Board are set forth below:

JT Straface was born and raised in Morgantown, has been a member of the Board since 2003, and currently serves as Board chairman. Mr. Straface is a graduate of Morgantown's former St. Francis High School and West Virginia University School of Mines where he received a BS degree in mining engineering. Mr. Straface owns and operates a number of successful small businesses in the Morgantown area. Mr. Straface's term expires on November 11, 2017.

Ron Bane is a lifelong resident of Morgantown and has served as a member of the Board since 2005 where he serves as vice-chairman. Dr. Bane currently serves as manager at West Virginia University Health Care, has served on the Morgantown City Council for 12 years and continues to serve in that capacity. Dr. Bane holds a BA in political science, a MS in safety studies, a MBA, and a Ph.D. in safety engineering. In addition, Dr. Bane has served on the Mountain Line Transit Authority for 7 years, Parking Authority for 4 years, and Traffic Commission for 4 years. Dr. Bane's term expires on November 11, 2019.

Frank Scafella taught in the English Department at West Virginia University for 30 years from 1969 to 1999. He served on Morgantown City Council for 16 years, 1991 to 2007, and as Mayor of Morgantown for four years, 1998 to 2002. Dr. Scafella retired from WVU in 1999 and from Morgantown City Council in 2007. Dr. Scafella joined the Board in 2009 and currently serves as secretary. Dr. Scafella is a native of Morgantown, served in the U.S. Marine Corps from 1954 to 1960, and serves as executive director of the Campus Neighborhoods Revitalization Corporation, known locally as "Sunnyside Up," on a part-time basis. Dr. Scafella obtained a BA from West Virginia University in 1964, and a MA and a Ph.D. from The University of Chicago in 1972. Dr. Scafella's term expires on November 11, 2016.

John Ganz has been a Morgantown resident since 1989 and currently works with the U.S. Department of Energy as a regulatory compliance officer. Mr. Ganz has served on the Board since 2011; however, his association with MUB spans many years beyond that. Mr. Ganz has been involved in extensive institutional research facilities operations and regulatory compliance interface with MUB while working for the U.S. Dept. of Energy's National Energy Technology Lab (NETL) in Morgantown. Within this work at NETL, Mr. Ganz interfaced with MUB personnel and public utility facilities and services at NETL in the areas of general site operations, research facilities activities, hazardous waste treatment, and environmental protection. Mr. Ganz has more than 38 years professional career experience in the areas of regulatory compliance, project planning, facilities operations, and environmental protection. Mr. Ganz attended Potomac State College, Keyser, WV and received a BS Agriculture from Arizona State University, Tempe, AZ. Mr. Ganz's term expires on November 11, 2020.

William Rice is a retired engineer, and has brought a host of directly relevant experience and skills to MUB since joining the Board in 2013. This includes service on the County Commission's Water and Wastewater Committee as well as the Sewage Advisory Board for the West Virginia Department of Health. Mr. Rice currently serves on the West Run Board of Zoning Appeals for the County Commission and as chairman of the Citizen's Advisory Committee for the Greater Morgantown Metropolitan Planning Organization (MPO). As a resident of Bakers Ridge Road, Mr. Rice represents the first MUB Board member to reside outside Morgantown city limits. Mr. Rice's term expires on November 11, 2018.

MUB Professional Management

Timothy L. Ball – General Manager

Timothy L. Ball was appointed as the General Manager of the Morgantown Utility Board in October, 2010. Before serving as the General Manager, Mr. Ball served as the Assistant General Manager and Chief Engineer of the Morgantown Utility Board for 14 years.

Mr. Ball joined MUB as its Senior Engineer in early 1988. He was instrumental in the development of operating plans and upgrade projects for the newly expanded utility. He contributed similarly to the recent startup of the stormwater utility at MUB.

Mr. Ball holds BS and MS degrees in Civil Engineering from West Virginia University. He earned a MBA from WVU in 2000. He is a registered Professional Engineer and is also a licensed Land Surveyor. He has taught both civil engineering and business management courses at his alma mater.

Mr. Ball was appointed as an inaugural member and continues to serve on the West Virginia State Public Water System Supply Study Commission. That Commission was created in 2014 by Senate Bill 373, in response to a chemical leak that disrupted water supply to 300,000 persons in and around Charleston, WV. The Commission is charged with the responsibility to advise and report to the Legislature on matters related to implementation of Senate Bill 373 and protection of the State's drinking water sources.

Mr. Ball has been recognized by his peers as a leader in the utility industry. He served as Chair of the West Virginia section of the American Water Works Association (AWWA) in 1992, and served on the National Board of Directors of AWWA from 2000 to 2003. In 1994, he received from AWWA the George Warren Fuller Award for service to the water industry. He was recognized as the Young Engineer of the Year in 1988 by the West Virginia Society of Professional Engineers, and is a member of the Tau Beta Pi and Chi Epsilon engineering honoraries. Mr. Ball actively participates in several other utility industry groups including the West Virginia Rural Water Association, the Water Environment Federation, and the West Virginia Municipal Water Quality Association. He often speaks to state and national water industry audiences on the topics of leadership, effectiveness, strategic planning, and stormwater management.

Douglas R. Smith – Assistant General Manager/Chief Engineer

Douglas R. Smith was appointed as the Assistant General Manager and Chief Engineer of the MUB in October 2010. Before serving as the Assistant General Manager and Chief Engineer, Mr. Smith served as a Senior Engineer of MUB for 14 years. He was instrumental in the startup of the stormwater utility and continues to be intimately involved in the establishment of rules and regulations set by the West Virginia Department of Environmental Protection and the Public Service Commission of West Virginia.

Mr. Smith holds a BS degree in Civil Engineering and a MBA from West Virginia University. He is also a registered Professional Engineer.

Mr. Smith served on the board of the West Virginia Section of the American Water Works Association for eight years and served as Chairman from 2006-2007. He currently serves as a board member for the West Virginia Rural Water Association. In 2008, he received the George Warren Fuller Award for service to the water industry.

Debbie Osborne – Comptroller

Debbie Osborne is the Comptroller of the Morgantown Utility Board. She manages both the Financial and Customer Information Systems. She is responsible for the preparation of budgets and financial reporting statements as well as all business and accounting operations of MUB.

She and her staff are responsible for the customer service functions for all retail water, sewer, and stormwater customers as well as providing these services for many neighboring utilities.

Ms. Osborne holds the degrees of BS in Business Administration and MPA, both awarded by West Virginia University. Prior to joining MUB in 1989, she worked for six years as an accountant for West Virginia University.

Timothy Stranko – General Counsel

Timothy Stranko is a resident of The City of Morgantown. He has served as MUB's general counsel since 1996. He also serves as General Counsel to the West Virginia Municipal League. Mr. Stranko is a member of the West Virginia Bar and a Commissioner of the Morgantown Planning Commission. He holds a BS in engineering from the U.S. Military Academy at West Point, a law degree from the University of Pittsburgh and a MBA from West Virginia University. Mr. Stranko is a retired from service as an officer in the U.S. Army Infantry and Corps of Engineers. He has enjoyed a number of military honors and awards, including service as a U.S. Army Ranger.

Dave Rife – Distribution Superintendent

Dave Rife manages MUB's Distribution Department which is responsible for the maintenance and construction of the water distribution and sewerage collection systems. In addition, Mr. Rife is responsible for MUB's vehicle fleet and its inventory and purchasing operation. Mr. Rife has been a MUB employee since 1983. He has worked at nearly every assignment in the department that he now manages.

Greg A. Shellito – Manager of Treatment and Production Facilities

As Manager of Treatment and Production Facilities, Greg A. Shellito manages all of MUB's treatment and pumping operations. He and his staff are responsible for the operation and maintenance of the Morgantown Water Treatment Plant, the Morgantown Wastewater Treatment Plant, and the newly acquired Cheat Lake Wastewater Treatment Plant. In addition, Mr. Shellito is responsible for 15 pumping systems serving 38 water storage tanks

throughout the water distribution system, totaling 73 wastewater lift stations in the two collection systems. Mr. Shellito also acts as MUB liaison to regulating federal and state agencies.

Prior to appointment his current position, Mr. Shellito served as Superintendent and Plant Engineer of the Wastewater Treatment Plant. He holds BS degrees in biology and chemistry from Gannon University in Erie, Pennsylvania, and a MS in biology from West Virginia University. Mr. Shellito is an Environmental Engineer and is certified as a Registered Engineer in Training. He has been a licensed Class IV wastewater treatment plant operator since 1988.

Mr. Shellito has published several articles in national professional journals. He is a member of several professional associations, including the West Virginia Water Environment Association, which he served as President, the American Water Works Association and the Rural Water Association.

Chris Dale – Director of Communications

Chris Dale joined MUB in 2012 and provides oversight of public outreach activities. Prior to joining MUB, he served as a visiting instructor at West Virginia University for 12 years and as a public affairs officer for the American Red Cross for 13 years where he managed crisis and emergency communications. He is a veteran of the US Army having served as a medic in the 3rd Infantry Division.

Mr. Dale maintains mub.org, ensures that area residents remain informed of MUB activities, maintains relationships with members of the media and community leaders, continuously monitors traditional and social media, plans and conducts various outreach events, consults with MUB leadership on internal/external impacts of policy changes, provides customer service for demanding customers as well as 24/7 social media support, writes and designs various internal and external communication vehicles, and maintains MUB's crisis communications plan.

Mr. Dale holds a BA in Psychology and a MS in Journalism with a specialization in public relations, both from West Virginia University.

MUB Personnel

MUB employs approximately 150 individuals. Of that number, approximately 36 are assigned to the Treatment and Production Facilities Department, approximately 74 are assigned to the Distribution Department and 40 are assigned to Administration. All employees are available to work on any aspect of the three utilities, while employee and equipment time, as well as materials, are tracked and allocated to each of the three utilities. Employees are cross-trained in each Department and succession plans for key leadership positions throughout MUB are regularly reviewed and updated.

Employees of MUB are employed directly by MUB, not the Issuer. MUB employees are not represented by a collective bargaining unit. The City Charter expressly prohibits employees of the City and MUB from organizing collective bargaining units. MUB employees are required to participate in group medical insurance and retirement plans.

MUB Business Philosophy

MUB has several keystone practices that guide its business approach. One is that of minimizing reliance upon outside services, and doing as much as possible with its own staff. In addition to staffing for regular O&M, MUB maintains sufficient personnel and equipment to field two to three full time construction crews. Doing so allows MUB to construct system extensions and perform renewal and replacement work at lower cost, and with less preparation time, than would be required using outside contractors. Engineering staffing is similarly robust and beneficial.

The pursuit of value, rather than minimizing immediate cost, is also a key practice of MUB. An easy example is the purchase of premium efficiency pump motors. A premium efficiency pump motor may cost 10% more than a standard efficiency motor, but will yield reduced electrical consumption to pay for its incremental cost in just two or three years, while providing continued savings for decades more. MUB invests for value at every purchase opportunity.

MUB requires that system expansions be self-supporting. Line extensions to newly developed areas are performed by MUB at the expense of the developer. Line extensions to existing unserved areas are designed and constructed by MUB at the expense of the new customers to be served. Acquisition of other systems is accomplished at a zero purchase price other than assumption of the acquired system's existing debt, in which case the associated

debt service continues to be paid by the acquired customers on the acquired system through a separate rate schedule for the acquired area.

MUB Governance

The municipal governmental structure in which MUB was created and continues to operate is designed to provide professional, apolitical, oversight and management of the Combined Utility System. The Board, while appointed by City Council, operates with near total autonomy. The only aspects of MUB which remain subject to City Council approval are establishment of rates and charges, the issuance of bonds, and approval of large capital projects, all of which require the enactment of an ordinance by City Council.

As a subunit of the City, MUB does not participate in political issues. MUB does, however, regularly work with political bodies to further MUB's mission.

For example, municipal ordinances to establish enforceable standards related to utility services are routinely drafted and proposed by MUB, and subsequently implemented by City Council as needed. Similarly, MUB's occasional acquisition of surrounding utilities requires and receives the cooperation of The County Commission of Monongalia County.

Similarly, MUB works closely with the West Virginia Legislature occasionally on its own behalf, but more often through the West Virginia Rural Water Association ("WVRWA") and/or the West Virginia Municipal League. MUB is well regarded in both organizations by virtue of its recognized leadership in the State and region. Two legislative initiatives in which MUB played a key role deserve special mention.

The first is House Bill 4619, enacted March 2002, which allowed the creation of stormwater utilities in West Virginia. MUB recognized early when regulations applying to municipal separate storm sewer systems (known as "MS4's") were newly issued, that MUB was better suited to meet the regulations than was the Morgantown Street Department which had responsibility for the Morgantown storm system at the time. MUB drafted a bill, obtained sponsors, and advocated successfully at the State Legislature for its passage, modifying the State code to authorize creation of locally owned and operated stormwater utilities. MUB then worked with City Council to enact the necessary ordinances to create the State's first stormwater utility under MUB. Since that time, MUB's Stormwater System has served as a model for others in the State and region.

The second is Senate Bill 234, enacted in March 2015, which reduced the regulatory authority of the Public Service Commission of West Virginia ("PSC") over the state's largest publicly owned water and/or sewer utilities. Excessive regulation of rates by the PSC was widely perceived to have suppressed and/or discouraged justifiable rate increases, thus leaving utilities without adequate revenues to fund proper O&M activities. Similarly, the PSC capital project approval process ("Certificate of Convenience and Necessity") was widely viewed as an unproductive and expensive review that added little or no value, but often delayed work as much as a year. In 2014, a report by an internationally recognized ratings organization cited excessive regulation as a significant credit risk arising from West Virginia's regulatory scheme. To address this issue, MUB drafted and proposed to the Legislature Senate Bill 234, and working with its partners at WVWRA and West Virginia Municipal League, obtained multiple sponsors from the leadership in both houses of the Legislature, and successfully advocated for its passage. See "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – State Utility Regulation" and "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – Rate Setting and Project Approval Process" herein.

The above examples illustrate MUB's willingness and ability to achieve Legislative solutions to issues. MUB also monitors legislation each year and provides insight to the West Virginia Legislature on the potential impact of proposed bills.

MUB Fiscal Policies

The Board has adopted a comprehensive Statement of Investment Policy. The statement outlines broad investment policies to include delegation of certain authority to the General Manager, investment objectives, collateralization of deposits, protection of funds, permitted investments, investment of bond proceeds and investment reporting.

The Board recently formalized MUB's long-standing practices regarding cash management through the adoption of a Liquidity Policy. The Liquidity Policy establishes a stated goal for MUB to maintain between 110 – 140 days of operation and maintenance expense in unrestricted cash and cash equivalents available for unexpected economic and operational events. The Liquidity Policy assumes daily operation and maintenance expense of

$40,000, which results in available liquid assets of $4,400,000 to $5,600,000.

MUB's combined cash reserves are currently and temporarily reduced by the unique costs related to planning and design of the proposed water and sewer improvements. MUB typically funds the start-up costs of bond financed projects "out of pocket". Those costs are then reimbursed to MUB immediately upon closing of the bond issue for the project. For the Project and the Water Reservoir Project the anticipated reimbursement will be $4,500,000 combined from the Series 2016 A Bonds and Series 2016 B Bonds, and up to $1,000,000 from the Series 2017 A Bonds, respectively. See "THE COMBINED UTILITY SYSTEM – MUB Water System – Water Reservoir Project" herein.

MUB PENSION OBLIGATIONS

As authorized by state law and required by City ordinance, MUB employees are enrolled in The City of Morgantown Employees' Retirement and Benefit Fund. Employees contribute 6% of their compensation. MUB likewise contributes an actuarially determined share toward each employee account, currently at 13.31% of payroll. See "MUB Personnel" herein.

The pension fund is managed by an elected Board of Trustees and its agents. The fund is estimated to be 82.35% funded as of June 30, 2015. MUB's share of the unfunded pension liability as of June 30, 2015 was $5,200,000.

As of the July 1, 2011 actuarial valuation, the Board of Trustees adopted a closed amortization period of 25 years to amortize the unfunded liability.

Of the 13.31% of payroll currently contributed by MUB, 7.1% goes toward the amortized unfunded liability. The remaining 6.21% of payroll is MUB's actuarially determined normal contribution.

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THE COMBINED UTILITY SYSTEM

MUB Combined Utility System Retail Customer History

The average number of retail customers for the Combined Utility System for the past 12 Fiscal Years are as follows:

Fiscal Year (ended June 30)	*Water Customers*	*Water Growth Percentage*	*Sewer Customers*	*Sewer Growth Percentage*	*Stormwater Customers*	*Stormwater Growth Percentage*
2004	21,434	–	15,041	–	–	–
2005	21,641	1.0%	15,468	2.8%	–	–
2006	22,400	3.5%	15,958	3.2%	–	–
2007	22,442	0.2%	16,547	3.7%	–	–
2008	22,930	2.2%	16,982	2.6%	14,026	–
2009	23,333	1.8%	17,488	3.0%	14,311	2.0%
2010	23,786	1.9%	18,105	3.5%	14,428	0.8%
2011	24,129	1.4%	18,747	3.5%	14,535	0.7%
2012	24,509	1.6%	19,063	1.7%	14,616	0.6%
2013	25,261	3.1%	19,752	3.6%	14,620	0.0%
2014	25,459	0.8%	20,495	3.8%	14,623	0.0%
2015	25,748	1.1%	21,827	6.5%	14,850	1.6%
2016	25,909	0.6%	22,124	1.4%	15,173	2.2%

MUB Water System

The Water System provides retail potable water service to approximately 26,000 customers. Water System facilities include, but are not limited to, approximately 411 miles of transmission pipe, a 16 million gallon per day (MGD) water treatment plant, 15 booster pumping stations, and 34 water storage tanks with a combined volume of 18.8 million gallons. The water treatment plant was recently significantly upgraded, the design for which began in 2009. Construction of the overall water treatment plant upgrade began in 2010 and was completed in 2012. The project replaced the existing Monongahela River intake structure, added a membrane filtration process, expanded clear well storage and updated and improved the various chemical feed systems. The improved water treatment plant has an immediate capacity of 16 MGD, and can be incrementally expanded to 24 MGD. The Board expects to add capacity to the Water System with the construction of a new raw water reservoir which is to be financed with the proceeds of the Series 2017 A Bonds (herein defined). See "OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM – Future Bond Issues" and "THE COMBINED UTILITY SYSTEM – MUB Water System – Water Reservoir Project" herein.

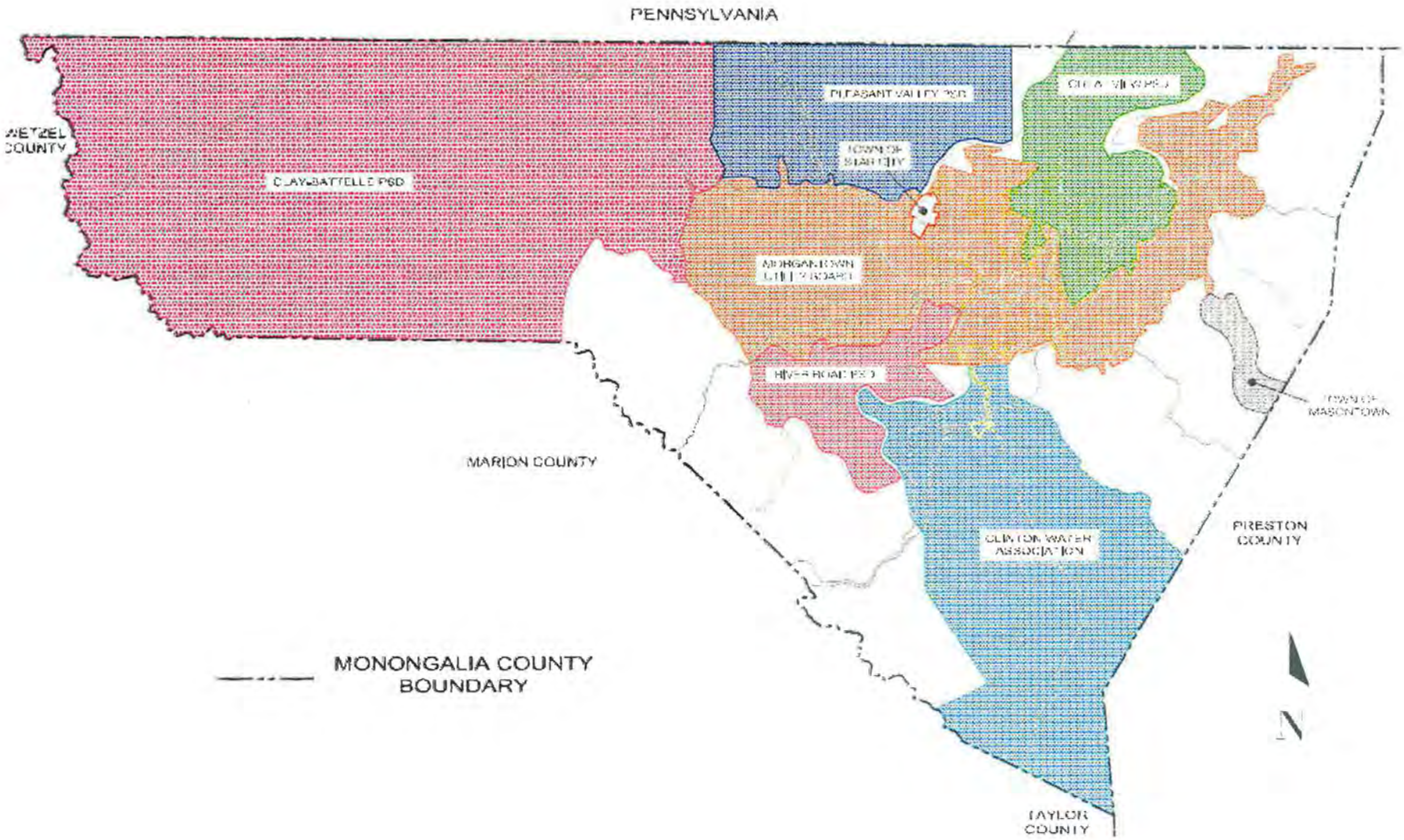
MUB Water System – Service Area

MUB's Water System retail service area:

- includes the entirety of the City and surrounding areas in Monongalia County, West Virginia;
- covers approximately 52.6 square miles; and
- includes a diversified group of healthcare, higher education, manufacturing, and service industry customers.

In addition to MUB's retail customers, MUB sells bulk water to seven (7) separate adjacent public water utilities: Cheat View Public Service District, Clinton Water Association, Clay Battelle Public Service District, Pleasant Valley Public Service District, the Town of Masontown, the Town of Star City, and River Road Public Service District (collectively, the "Water Resale Customers"). The Water Resale Customers utilize the purchased water to provide retail potable water service to nearly 12,500 customers within their respective service territories.

Set forth on the next page is a map which reflects the retail service area of the Water System, as well as the general geographic boundaries of the Water Resale Customers.


PENNSYLVANIA
WETZEL COUNTY
CLAY-BATTELLE PSD
PLEASANT VALLEY PSD
TOWN OF STAR CITY
MORGANTOWN UTILITY BOARD
RIVER ROAD PSD
MARION COUNTY
CLINTON WATER ASSOCIATION
TOWN OF MASONTOWN
PRESTON COUNTY
TAYLOR COUNTY
MONONGALIA COUNTY BOUNDARY
N

MUB Water System – Customer Data

The following table sets forth the total potable water sales by MUB in each of the last twelve (12) fiscal years:

Fiscal Year (ended June 30)	*Residential*	*Commercial*	*Industrial*	*Public Authorities*	*Other/Resale*	*Total*
2004	$1,612,454	$543,406	$271,161	$489,794	$733,334	$3,650,149
2005	$1,777,410	$607,448	$279,839	$573,558	$804,658	$4,042,913
2006	$2,081,586	$724,988	$288,567	$677,270	$891,085	$4,663,496
2007	$2,084,269	$784,141	$239,092	$658,889	$958,133	$4,724,524
2008	$2,103,110	$867,818	$252,077	$584,108	$957,550	$4,764,663
2009	$2,318,377	$929,036	$275,450	$549,397	$1,150,244	$5,222,504
2010	$2,343,293	$984,890	$265,091	$531,366	$1,197,923	$5,322,563
2011	$2,392,492	$1,033,362	$285,208	$518,649	$1,178,934	$5,408,645
2012	$3,223,346	$1,494,901	$455,788	$718,485	$1,733,959	$7,626,479
2013	$4,145,424	$2,103,342	$638,978	$989,990	$2,232,964	$10,110,698
2014	$4,095,556	$2,113,502	$672,972	$978,035	$2,324,122	$10,184,187
2015	$4,072,301	$1,955,425	$824,349	$916,151	$2,354,942	$10,123,168
2016	$4,035,841	$1,934,279	$800,615	$919,494	$2,275,727	$9,965,956

MUB Water System – Largest Customers

The following table sets forth the ten largest customers of the Water System and related annual sales for the fiscal year ended June 30, 2016.

	Customer	*Consumption (gallons in 1,000s)*	*Sales*
1	Cheat View PSD*	266,858	$678,045.14
2	Clinton Water Association*	250,998	$637,887.54
3	West Virginia University	130,619	$367,118.00
4	Mylan Pharmaceuticals	133,982	$348,007.30
5	Clay Battelle PSD*	123,838	$314,274.94
6	Addivant	100,127	$256,269.90
7	Pleasant Valley PSD*	85,350	$221,808.58
8	Star City Water System*	70,841	$184,411.39
9	WVU Hospitals	69,646	$181,244.53
10	Morgantown Energy Association	73,845	$174,654.80
	Totals	**1,306,104**	**$3,363,722.12**

*Resale Customer

The total Water System Gross Revenue for the fiscal year ended June 30, 2016 was $9,966,000. The ten largest water users represented 34% of the Water System Gross Revenue.

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MUB Water System – Water Resale Customers

The following tables set forth information regarding MUB's Water Resale Customers for the most recent six fiscal years.

MUB Water Resale Customers – Resale Customer Count*

Resale Customer	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*	*Fiscal Year 2011*
Cheat View PSD	*	3,721	3,512	3,625	3,512	3,286
Clinton Water Ass'n	*	3,524	3,537	3,384	3,332	3,319
Clay Battelle PSD	*	1,647	1,646	1,641	1,635	1,626
Pleasant Valley PSD	*	947	945	937	931	921
Town of Masontown	*	921	910	902	802	799
Town of Star City	*	900	886	876	880	882
River Road PSD	*	774	750	633	622	612
Total	*	**12,434**	**12,186**	**11,998**	**11,010**	**11,445**

MUB Water Resale Customers – Annual Gallons Bulk Water Purchased from MUB (000's omitted)**

Resale Customer	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*	*Fiscal Year 2011*
Cheat View PSD	266,858	252,158	243,707	245,167	253,678	274,725
Clinton Water Ass'n	250,998	260,134	262,033	245,336	246,707	242,779
Clay Battelle PSD	123,838	124,343	135,788	124,374	141,603	139,119
Pleasant Valley PSD	83,350	108,955	115,482	107,160	98,448	111,387
Town of Masontown	42,701	45,016	40,794	38,705	36,548	37,351
Town of Star City	70,841	77,925	78,984	87,600	87,840	77,566
River Road PSD	51,643	46,288	41,902	42,116	39,949	43,333
Total	**892,229**	**914,819**	**918,690**	**890,458**	**904,773**	**926,260**

MUB Water Resale Customers – Annual Bulk Water Purchases from MUB**

Resale Customer	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*	*Fiscal Year 2011*
Cheat View PSD	$678,045	$645,044	$619,372	$629,950	$466,255	$350,376
Clinton Water Ass'n	$637,888	$662,239	$667,767	$625,524	$626,695	$312,417
Clay Battelle PSD	$314,275	$315,531	$344,507	$314,785	$261,038	$178,404
Pleasant Valley PSD	$221,809	$299,439	$310,514	$298,866	$203,685	$145,842
Town of Masontown	$108,998	$113,725	$104,587	$99,030	$70,406	$48,090
Town of Star City	$184,411	$205,611	$203,983	$131,400	$118,954	$100,922
River Road PSD	$130,028	$118,073	$107,129	$107,518	$76,054	$55,799
Total	**$2,275,454**	**$2,359,662**	**$2,357,859**	**$2,207,499**	**$1,823,087**	**$1,191,850**

For the fiscal year ending June 30, 2016, sales of bulk water to the Water Resale Customers represented 22.83% of the Water System's Gross Revenue.

* Information gathered from Annual PSC Reports of Resale Customers
** Source: Morgantown Utility Board

MUB Water System – Water Reservoir Project

MUB currently operates a single raw water reservoir, known as Cobun Creek #1 ("CCR #1") to provide a reserve raw water supply in the event that the primary raw water source on the Monongahela River is rendered unusable.

The CCR #1 was constructed in the 1950's, and at that time stored a 19 day supply for the Water System. Today, that same reservoir contains only 3.4 days of raw water.

To provide an adequate secondary source of raw water, MUB plans to build a 370 million gallon raw water reservoir ("CCR #2") to be constructed on Cobun Creek upstream of the existing CCR #1. CCR #2 will include an engineered earthen dam, and will provide 33.6 days of storage at current usage rates. The proposed reservoir will be located on property purchased by MUB (then the Morgantown Water Commission) for this purpose in the 1950's.

Depending on the availability of funds, MUB may also construct a raw water pipeline and/or acquire and install a diesel powered generator at the Water Treatment Plant as part of the Water Reservoir Project. The raw water pipeline would deliver water from CCR #2 either to CCR #1, or directly to the Water Treatment Plant. The raw water pipeline will be gravity fed, and will follow the general course of the Cobun Creek stream. If the raw water pipeline is not constructed, Cobun Creek will convey the water.

The diesel powered generator will serve as an auxiliary power supply to the Water Treatment Plant. The generator would enable the Water Treatment Plant to continue operation despite interruption of the electrical supply to the facility. The Water Reservoir Project will be financed with the Series 2017 A Bonds. See "OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM – Future Bond Issues" herein.

MUB Sewer System

The Sewer System provides sanitary sewer service directly to approximately 23,100 customers. The Sewer System has two distinct portions. The first, the "Morgantown Sewer System," includes both The City of Morgantown and the immediately surrounding areas, encompassing the traditional service area of MUB. The facilities in the Morgantown Sewer System include, but are not limited to, approximately 249 miles of collection lines and mains, the Star City WWTP which has a 12 million gallon per day (MGD) capacity, 53 lift stations, and 40 combined sewer outfalls. The Project financed with the Series 2016 A Bonds will make improvements to the Star City WWTP to effectively increase treatment capacity to 20.8 MGD. See "PURPOSE AND PLAN OF FINANCING – The Project" herein.

The second distinct portion of the Sewer System is the sanitary sewer collection and treatment system which serves the Cheat Lake area outside of, but adjacent to, the municipal limits of the Issuer in Monongalia County. The Cheat Lake System serves approximately 2,600 customers. The facilities of the Cheat Lake System includes approximately 49 miles of collection and transmission lines, a 750,000 gallon per day (GPD) wastewater treatment plant (the "Cheat Lake WWTP") and 20 lift stations. The Cheat Lake System contains no combined sewer overflows. The Cheat Lake WWTP, lift stations, and major interceptors and force mains were constructed in 2000 at a cost of $10,000,000. Growth and demand for expanded utility services is generally strong throughout the MUB service area and particularly so in the Cheat Lake area.

MUB Sewer System – Service Area

MUB's Sewer System Service area:

- includes the entirety of the City and surrounding areas in Monongalia County, West Virginia;
- covers approximately 49.75 square miles; and
- includes a diversified group of healthcare, higher education, manufacturing, and service industry customers.

In addition to MUB's retail customers, MUB provides sanitary sewerage transmission and treatment to four (4) separate adjacent public sewer utilities: the City of Westover, Deckers Creek Public Service District ("Decker's Creek PSD"), the Town of Star City, and the Town of Granville (collectively, the "Sewer Resale Customers"). The Sewer Resale Customers provide retail sanitary sewer service to nearly 5,500 customers within their respective service territories.

Set forth on the next page is a map which reflects the retail service area of the Sewer System, as well as the general geographic boundaries of the Sewer Resale Customers.

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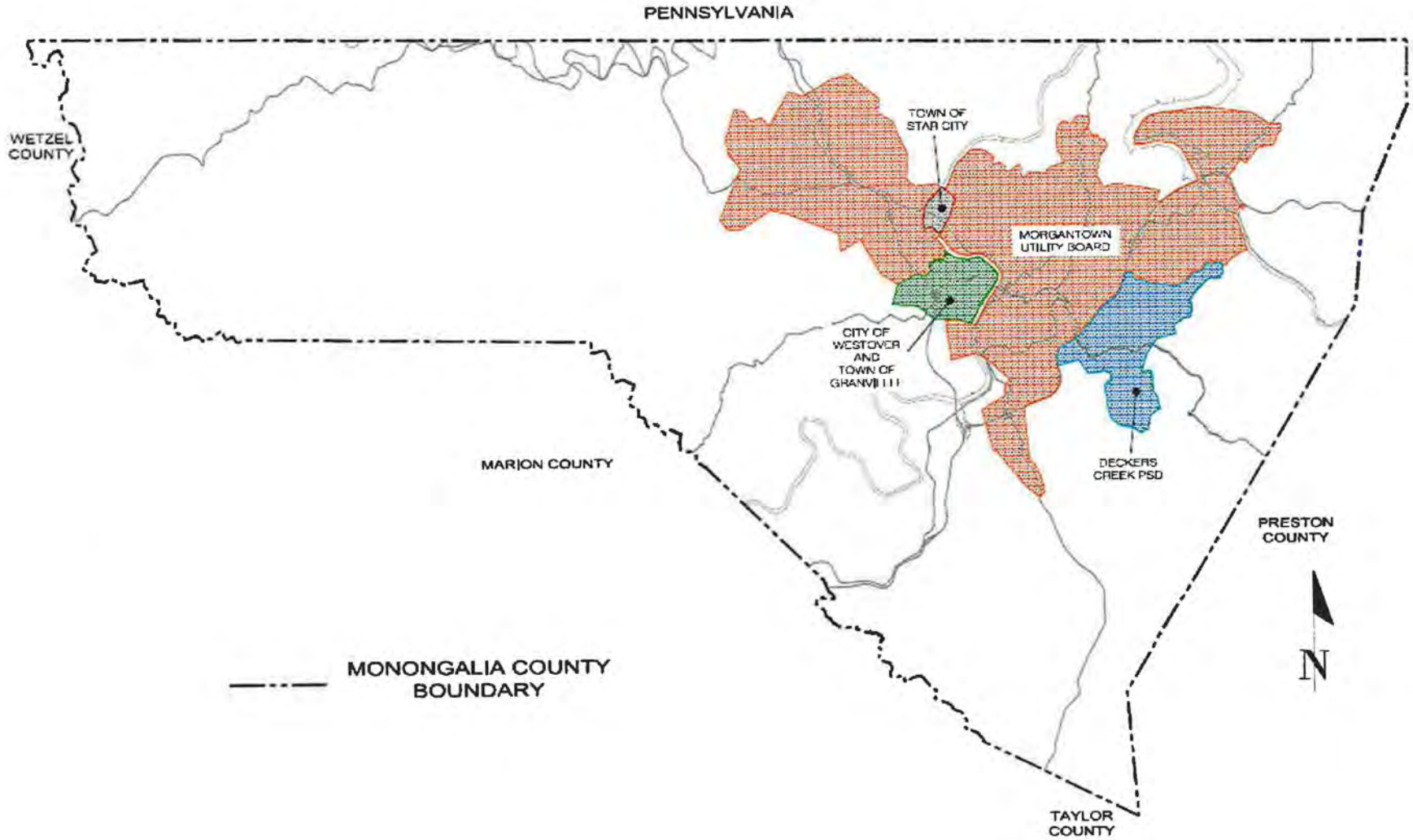
PENNSYLVANIA
WETZEL COUNTY
TOWN OF STAR CITY
MORGANTOWN UTILITY BOARD
CITY OF WESTOVER AND TOWN OF GRANVILLE
DECKERS CREEK PSD
MARION COUNTY
PRESTON COUNTY
TAYLOR COUNTY
N
MONONGALIA COUNTY BOUNDARY

MUB Sewer System – Customer Data*

The following table sets forth the total sanitary sewer collection and treatment sales by MUB in each of the last twelve (12) fiscal years:

Fiscal Year (ended June 30)	*Residential*	*Commercial*	*Industrial*	*Public Authorities*	*Other/Resale*	*Total*
2004	$3,603,277	$1,286,963	$245,449	–	$469,122	$5,604,811
2005	$3,654,324	$1,405,427	$294,924	–	$506,834	$5,861,509
2006	$4,059,102	$1,610,572	$274,353	–	$526,789	$6,470,816
2007	$4,368,193	$1,626,967	$267,660	–	$555,105	$6,817,925
2008	$4,530,051	$1,473,390	$299,693	–	$629,086	$6,932,220
2009	$4,835,992	$1,317,109	$339,187	–	$712,505	$7,204,793
2010	$3,458,586	$1,903,921	$307,798	$1,274,932	$700,225	$7,645,462
2011	$3,531,058	$1,982,495	$313,247	$1,156,584	$785,867	$7,769,251
2012	$3,789,665	$2,243,995	$493,504	$1,307,667	$867,749	$8,702,580
2013	$4,242,666	$2,380,843	$426,778	$1,411,592	$861,492	$9,323,371
2014	$4,487,498	$2,447,661	$460,191	$1,401,645	$803,564	$9,600,559
2015	$5,079,237	$2,874,371	$454,779	$1,356,427	$712,508	$10,477,322
2016	$5,186,957	$3,008,484	$475,128	$1,365,651	$656,106	$10,692,326

MUB Sewer System – Largest Customers*

The following table sets forth the ten largest customers of the Sewer System and related annual sales for the fiscal year ended June 30, 2016.

	Customer	*Consumption (gallons in 1,000s)*	*Sales*
1	Mylan Pharmaceuticals	133,982	$540,411.03
2	West Virginia University	129,159	$527,079.68
3	City of Westover**	213,689	$320,534.00
4	WVU Hospitals	69,646	$278,971.33
5	Morgantown Energy Association	73,845	$192,792.52
6	RF Kennedy Youth Center	40,076	$160,779.20
7	Deckers Creek PSD**	103,074	$154,611.00
8	Town of Star City**	87,840	$131,760.00
9	Monongalia General Hospital	49,620	$74,905.20
10	Monongalia County Board of Education	18,228	$73,277.00
	Total	**919,159**	**$2,455,120.96**

* Source: Morgantown Utility Board
* Resale Customer

The total Sewer System Gross Revenue for the fiscal year ended June 30, 2016 was $10,692,000. The ten largest sewer customers represented 23% of the Sewer System Gross Revenue.

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MUB Sewer Resale Customers

The following tables set forth information regarding MUB's Water Resale Customers for the most recent six fiscal years.

MUB Sewer Resale Customers – Resale Customer Count

Resale Customer	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*	*Fiscal Year 2011*
City of Westover	2,241	2,241	2,180	2,120	2,104
Deckers Creek PSD	1,831	1,820	1,790	1,748	1,706
Town of Star City	891	876	876	880	877
Town of Granville	345	347	349	357	349
Total	**5,308**	**5,284**	**5,195**	**5,105**	**5,036**

MUB Sewer Resale Customers – Annual Gallons Wastewater Treated by MUB (000's omitted)

Resale Customer	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*	*Fiscal Year 2011*
City of Westover	213,689	230,765	230,859	200,663	236,660	262,998
Deckers Creek PSD	103,074	103,994	115,570	151,686	166,708	172,927
Town of Star City	87,840	87,840	87,600	87,600	87,840	87,600
Town of Granville	32,801	42,636	46,912	35,323	53,313	39,002
Total	**437,404**	**465,235**	**480,941**	**475,272**	**544,521**	**562,527**

MUB Sewer Resale Customers – Annual Treatment Cost Billed by MUB

Resale Customer	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*	*Fiscal Year 2011*
City of Westover	$320,534	$346,148	$346,289	$331,995	$314,434	$318,228
Deckers Creek PSD	$154,611	$155,991	$173,356	$227,528	$223,149	$209,568
Town of Star City	$131,760	$131,400	$131,040	$131,400	$118,954	$105,996
Town of Granville	$49,201	$63,955	$70,368	$52,984	$73,110	$47,192
Total	**$656,106**	**$697,494**	**$721,053**	**$743,907**	**$729,647**	**$680,984**

For the fiscal year ended June 30, 2016, payments for sewage transmission and treatment to MUB represented 6.13% of the Sewer System Gross Revenue.

MUB Stormwater System

The Stormwater System serves approximately 15,200 customers. The West Virginia Department of Environmental Protection ("DEP") implemented federal MS4 (Municipal Separate Storm Sewer System) regulations effective 2003. The City of Morgantown added stormwater to the mission of MUB on May 21, 2002. Prior to that, the Stormwater System was maintained by the City Street department. The MUB stormwater utility was the first created in West Virginia, and has served as the model for others created statewide since that time. Stormwater rates, based on measured impervious area, were enacted by the Council of the Issuer to fund a suitable annual budget for both ongoing operations and maintenance, and for capital improvements. The MUB stormwater service area is defined on a watershed basis, and therefore includes areas that flow into the City from beyond the municipal corporate limits. Stormwater System facilities include a known inventory of 103 miles of pipe and culverts, however, the length of the total stormwater conveyance facilities is estimated to be approximately 225 miles. A mapping project to determine the full system inventory is underway, as required by recent federal regulations. An

$8,500,000 project was completed in 2009 to improve the Burroughs Run and Popenoe Run streams, providing stream restoration to stabilize the streams and to improve stream conveyance capacity in order to reduce the potential for flooding. A $2,475,000 project to improve and protect the Sabraton area along the Hartman Run stream, and at the intersection of Hartman Run Road (W.V. Route 857) and W.V. Route 7 was completed in 2015.

MUB Stormwater System – Service Area

MUB stormwater service area:

- includes the entirety of the City and surrounding areas in Monongalia County, West Virginia;
- covers approximately 14.68 square miles; and
- includes a diversified group of healthcare, higher education, manufacturing, and service customers.

Set forth on the next page is a map which reflects the retail service area of the Stormwater System.

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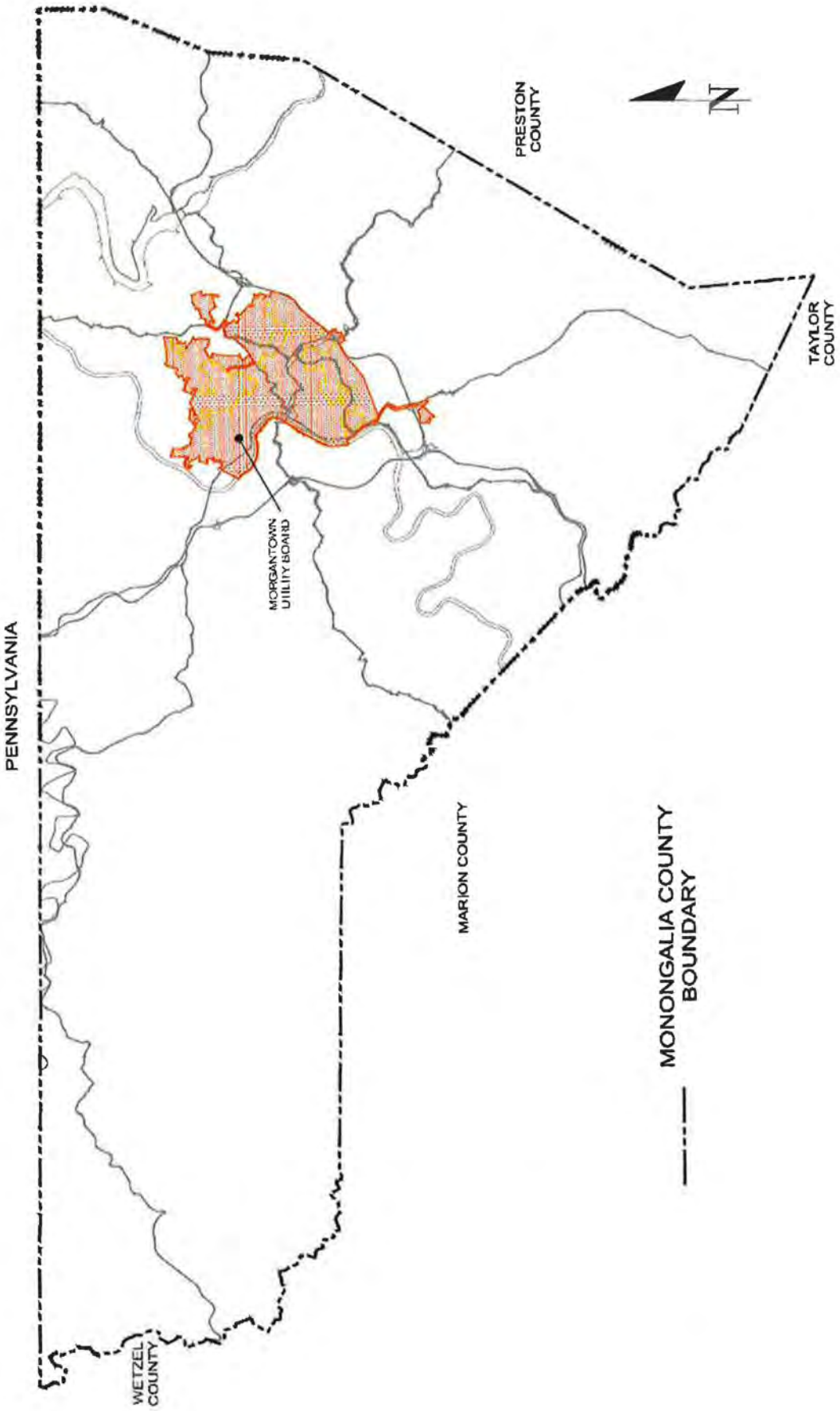
PENNSYLVANIA
WETZEL COUNTY
MARION COUNTY
MORGANTOWN UTILITY BOARD
PRESTON COUNTY
TAYLOR COUNTY
N
MONONGALIA COUNTY BOUNDARY

MUB Stormwater System – Largest Customers

	Customer	*Impermeable Surface (in sq. ft.)*	*Revenue*
1	West Virginia University	10,023,286	$282,656.67
2	GP Management	1,848,992	$52,141.57
3	WVU Hospitals	1,563,272	$44,084.27
4	Board of Education	1,460,534	$41,187.06
5	RF Kennedy Youth Center	914,791	$25,797.11
6	Mylan Pharmaceuticals	876,712	$24,723.28
7	The City of Morgantown	872,167	$24,595.11
8	Wal-Mart Stores	772,999	$21,798.57
9	US Dept. Energy NETL	632,696	$17,842.03
10	Monongalia General Hospital	395,021	$11,139.59
	Total	**19,360,470**	**$545,695.25**

The total stormwater operating revenue for the fiscal year ended June 30, 2016 was $1,891,000. The ten largest stormwater customers represented 29% of the total operating revenue.

MUB Operating and Capital Budgets

Operating and Capital budgets for the Water System, Sewer System and Stormwater System are prepared and approved annually by MUB.

MUB Combined Utility System Environmental Regulatory Performance

MUB maintains an excellent record of regulatory compliance. Discussion follows by each utility system.

MUB Water System.

Although numerous standards apply to regulate the treatment process and quality of treated potable water, a permitting process analogous to the National Pollutant Discharge Elimination System ("NPDES") permit does not exist. Nonetheless, monthly reports are required by WV Department of Health and Human Resources ("DHHR"), and consistently indicate full compliance.

The PSC requires annual reporting of water loss, which is measured by a percentage of water that is un-accounted, and requires a corrective action plan for water loss exceeding 15%. MUB's program of loss prevention and leak location is very effective, and consistently complies with the PSC standard. The most recent reported water loss was 5.08% for FY 2015.

There are no outstanding enforcement actions applicable to the Water System.

MUB Sewer System.

Sewer service is highly regulated under the NPDES permits for each WWTP and corresponding collection system. As evidenced by receipt of numerous consecutive Platinum Awards from the National Association of Clean Water Agencies ("NACWA"), MUB has had zero permit violations in the last 15 years at the Star City WWTP, and in the last 17 years at the Cheat Lake WWTP.

An Administrative Order has been issued by DEP related to the Long Term Control Plan, and is procedural in nature. MUB is fully compliant with the terms of the Administrative Order.

An Administrative Order has been issued by DEP related to the Project, and confirms the construction plan and schedule proposed by MUB in the approved NPDES permit modification. MUB anticipates full compliance with the Administrative Order.

There are no other outstanding enforcement actions applicable to the Sewer System.

MUB Stormwater System.

Numerous standards apply to regulate the operation and maintenance of Stormwater systems by way of the MS4 variation of the NPDES permit. Semi-annual reports are required by DEP, and consistently indicate substantial compliance.

A 2014 inspection by DEP of MUB's MS4 reporting resulted in a Notice of Violation for failure to achieve certain permit requirements and/or goals expressed in MUB's Stormwater Management Plan. In most cases, the requirement/goal had been achieved, but the achievement was not properly documented. MUB was directed to submit a report describing how the unmet goals would be achieved/documented for compliance; said report was promptly submitted, appropriate program corrections were made, and no further enforcement action has been taken or is expected to be taken.

A 2015 inspection by the United States Environmental Protection Agency ("EPA") of MUB's MS4 reporting (for years 2012 and 2013) resulted in an Administrative Order for failure to achieve certain permit requirements. MUB was directed to submit a report describing how the unmet goals would be achieved/documented for compliance; said report was promptly submitted, and EPA has now issued a letter accepting the Report and closing the Administrative Order docket as having been appropriately resolved.

There are no outstanding enforcement actions applicable to the Stormwater System.

MUB Sewer System Long Term Control Plan

MUB's original LTCP was submitted to WV DEP and approved in 2002. Because such complex plans and the regulations to which they respond are constantly evolving, the LTCP is best considered a living document that remains subject to continuous revision and re-negotiation.

MUB submitted updates to its LTCP to WV DEP in 2011 and 2014. These updates have not been formally approved or rejected by DEP, and remain under ongoing discussion. The 2014 LTCP serves as the basis for the Project. DEP has approved the plans and specifications and the related NPDES permit modification for the Project.

Work completed under the 2002 LTCP includes the following: (i) an addition of a third secondary clarifier at the Star City WWTP, which was completed in 2009 at a cost of $6,400,000; and (ii) an upgrade of Deckers Creek Pump station and force main, which was completed in 2012 at a cost of $15,500,000.

The 2014 LTCP describes four phases of anticipated improvements (all cost estimates are in 2015-2016 dollars):

- Group 1 – 2020 completion
  - WWTP upgrade – pending under subject Issue at $99,700,000 (estimated $70,000,000 in LTCP).
  - Popenoe Run Interceptor replacement – to be financed with the Series 2016 A Bonds at $1,600,000 (estimated $6,000,000 in LTCP).

- Group 2 – 2025 completion
  - WWTP upgrade Phase 2 at $21,000,000.*
  - (Since the 2014 LTCP, portions of this project have been included in the pending work proposed in Group 1 to be financed with the Series 2016 A Bonds).

- Group 3 – 2030 completion
  - Upgrade of Deckers Creek Pump Station and Interceptor at $19,000,000.*
  - Popenoe Run Pumping and Storage at $12,000,000.*

- Group 4 – 2035 completion
  - Add High Flow Wet Weather Treatment to WWTP at $44,000,000.*

* Preliminary, subject to change. Also, subject to availability of grant and low interest loan funds and affordability under %MHI indices.

MUB Awards and Recognitions

MUB is recognized as an industry leader in West Virginia and the region with respect to water, wastewater and stormwater utilities. MUB has been repeatedly recognized by a variety of organizations for both projects and policies which have reflected this leadership. Included in such accolades are the following:

Year	Category	Issued by	Notation
2016	Water	WV AWWA	1st place Taste Test
2016	Sewer	NACWA	Platinum – Star City WWTP (15th consecutive year)
2016	Sewer	NACWA	Platinum – Cheat Lake WWTP (17th consecutive year)
2013	Water	WV RWA	Water System of the Year
2012	Stormwater	WV DEP	Environmental Excellence Award – stormwater
2009	Stormwater	Assoc. Builder & Contractors	Excellence in Construction – Burroughs Run Project
2008	Stormwater	WV DEP	Pisces Award – Innovative & Effective SRF
2002	Water	WV RWA	Water System of the Year
2002	Sewer	WV DEP	Environmental Excellence Award – large plant
2002	Sewer	WV DEP	Environmental Excellence Award – small plant
2002	Sewer	Assoc. Builder & Contractors	Excellence in Construction – Cheat Lake WWTP
2001	Sewer	WV DEP	Environmental Excellence Award – most improved

MUB actively participates in the activities and leadership of several West Virginia based industry groups and national industry organizations, including:

West Virginia Based Organizations

- WV American Water Works Association ("WV AWWA"),
- WV Rural Water Association ("WV RWA"),
- West Virginia Municipal League ("WVML"),
- West Virginia Municipal Water Quality Association ("WVMWQA"), and
- West Virginia Water Environment Association ("WVWEA").

National Organizations

- American Water Works Association ("AWWA"),
- Water Environment Federation ("WEF"),
- Rural Water Association ("RWA"),
- National Association of Clean Water Agencies,
- Association of Metropolitan Water Agencies ("AMWA"), and
- Wet Weather Partnership.

MUB's active participation in these organizations has broadened its reach to include a wide network of resources and contacts. This allows MUB to bring cutting edge ideas to practice in its service areas. Most importantly, it empowers MUB to compare itself to, learn from, and compete with larger utilities throughout the nation and region.

In addition to formal recognition, MUB is unique among public utilities in West Virginia as the first, and to this date, the only, combined potable water, sanitary sewer and stormwater utility.

MUB Operations, Maintenance, and Asset Management

MUB Operations Overview.

The Water Treatment Plant, Star City WWTP and the Cheat Lake WWTP (collectively, the "Treatment Plants") are under the direct supervision of the Manager of Treatment and Production Facilities. The Treatment Plants are operated by professionals licensed by the WV Bureau for Public Health (Water) and the West Virginia Department of Environmental Protection (Sewer). In addition to the Treatment Plants, the Manager of Treatment and Production Facilities is responsible for the operation and maintenance of the 15 pumping stations and 34 storage tanks included in the Water System and the 73 pumping stations in the Sewer System.

The distribution and transmission lines in the Water System, collection and transmission lines in the Sewer System and the management and conveyance infrastructure in the Stormwater System are the responsibility of the Distribution Superintendent. The Combined Utility System includes approximately 411 miles of water distribution lines, 298 miles of sewerage collection and transmission lines, and approximately 225 miles of stormwater management lines.

MUB CIP Funding Sources

MUB anticipates funding the CIP through a combination of long term debt (revenue bonds) and internally generated funds for capital additions. Additional funding is routinely received from developers, the West Virginia Department of Highways, West Virginia University and others for the purpose of increasing capacity, relocating facilities and expanding the service area.

MUB Current CIP

The paragraphs below outline the current five-year CIP, with the exclusion of the Project and the Water Reservoir Project to be financed with the proceeds of the Series 2016 A Bonds and the Series 2016 B Bonds, and the Series 2017 A Bonds, respectively.

MUB Water System – CIP.

Rates and charges for the Water System have been established that provide an annual budget of $1,000,000 in internally generated funds for capital improvements. The capital improvement projects include a combination of renewal and replacement of distribution lines, pumping and treatment structures, and major equipment. Anticipated Capital Improvements include;

Year	Project	Estimated Cost
2017	Sabraton 16" Loop Connection	$200,000
	Mulberry, Gem, and Elmina Streets Replacement	200,000
	Watts and Western Replacement/Upgrade	100,000
	Valley View Upgrade	100,000
	Miscellaneous Upgrades and Extensions	400,000
2018	University Avenue	$200,000
	Pixler Hill and Hagedorn Lane	100,000
	Replace Cherry Hill Booster	150,000
	Miscellaneous Upgrades and Extensions	550,000
2019	University Avenue	$150,000
	Linden, Lexington, Melrose and West Replacements	200,000
	Miscellaneous Upgrades and Extensions	650,000
2020	High, Madison, Long, Dunkard, Kenmore etc Replacement	$350,000
	Miscellaneous Upgrades and Extensions	650,000
2021	Van Voorhis Rd 12" Replacement	$300,000
	Miscellaneous Upgrades and Extensions	700,000

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MUB Sewer System – CIP.

Rates and charges for the Sewer System have been established that provide an annual budget of $1,500,000 in internally generated funds for capital improvements. The capital improvement projects include a combination of renewal and replacement of collection lines, pumping and treatment structures, and major equipment. Anticipated Capital Improvements include;

Year	Project	Estimated Cost
2017	Dorsey's Knob Sewer System Update	$350,000
	Replace Excavator	300,000
	Aerial Mapping Update	200,000
	Valley View Sewer Upgrade	250,000
	Miscellaneous Upgrades and Extensions	450,000
2018	Brookhaven Road Capacity Increase	$300,000
	Standard Street New VFD Equipment	150,000
	Vac Truck Replacement	300,000
	Airport Blvd Pump Station	150,000
	Miscellaneous Upgrades and Extensions	600,000
2019	Deckers Creek Interceptor MH replacement and Lining	$1,300,000
	Miscellaneous Upgrades and Extensions	200,000
2020	Deckers Creek Interceptor Tide Gate Installation	$200,000
	Orchard Crossing Upgrade	200,000
	Replace 4 Dump trucks	400,000
	Mon Interceptors Tide Gate Installation	300,000
	Miscellaneous Upgrades and Extensions	400,000
2021	CSO Screen Installation	$300,000
	Miscellaneous Upgrades and Extensions	1,200,000

MUB Stormwater System – CIP.

Rates and charges for the Stormwater System have been established that provide an annual budget of $125,000 in internally generated funds for capital improvements. The capital improvement projects include a combination of renewal and replacement of stormwater conveyance and management facilities. Anticipated Capital Improvements include;

Year	Project	Estimated Cost
2017	Valley View Road	$125,000
2018	Valley View Road	125,000
2019	Popenoe Run	125,000
2020	Popenoe Run	125,000
2021	Dug Hill Run	125,000

DEBT SERVICE REQUIREMENTS

Existing Long-Term Debt of the Combined Utility System

Pursuant to the Act, all debt secured by the Gross Revenues of the Combined Utility System has a lien on the Gross Revenues of the Water System, the Sewer System and the Stormwater System. Accordingly, the Bonds are known as "Combined Utility System Revenue Bonds" denoting the lien on the "combined" system. The following outstanding debt is secured by the Gross Revenues of the Combined Utility System, on a parity with the Series 2016 A Bonds and the Series 2016 B Bonds:

Bond Issue	*Issue Date*	*Project*	*Original Issue Amount*	*Balance June 30, 2016*	*Approximate Annual Debt Service*	*Final Maturity*
2015 E	6/11/2015	Sewer System Extension	$662,300	$658,081	$19,000	06/2055
2015 D	3/31/2015	Assume Scotts Run PSD Sewer Bonds	$1,688,394	$1,478,710	$44,251	12/2049
2015 C	3/31/2015	Assume Scotts Run PSD Sewer Bonds	$8,111,813	$5,817,003	$214,006	09/2043
2015 B	3/31/2015	Assume Scotts Run PSD Sewer Bonds	$4,586	$1,881	$118	10/2031
2015 A	3/31/2015	Assume Scotts Run PSD Sewer Bonds	$137,568	$101,414	$11,306	10/2031
2014 B	7/13/2014	Stormwater Improvements	$505,421	$471,533	$37,563	08/2034
2013 A	8/22/2013	Assume Canyon PSD Sewer Bonds	$4,605,260	$4,210,520	$131,580	06/2048
2012 C	10/5/2012	Stormwater Improvements	$2,330,000	$2,050,000	$163,920	10/2032
2012 A	8/24/2012	Water System Extension	$570,000	$530,150	$23,992	03/2044
2010 F	1/28/2010	Water Treatment Plant Improvements	$7,250,000	$3,250,000	$1,150,489	12/2018
2010 E	1/28/2010	Water System Improvements	$100,000	$84,157	$6,080	09/2032
2010 D	1/28/2010	Water System Improvements	$9,317,286	$7,841,178	$566,381	09/2032
2010 C	1/28/2010	Sewer System Improvements	$15,380,227	$12,943,588	$934,936	09/2032
2010 A	1/28/2000	Water Treatment Plant Upgrade	$37,950,000	$37,950,000	$2,280,000	12/2040
2007 A	8/14/2007	Stormwater Improvements	$8,500,000	$6,069,570	$535,038	06/2029
2006 A	6/30/2006	Star City WWTP Secondary Clarifier	$6,410,191	$4,147,999	$389,664	06/2028
2000 B	2/29/2000	Cheat Lake Wastewater Treatment Plant	$2,488,000	$1,538,598	$65,476	12/2039
2000 A	2/29/2000	Cheat Lake Wastewater Treatment Plant	$7,842,000	$3,152,955	$343,191	03/2026
			$113,853,046	**$92,297,337**	**$6,916,991**	

See "OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM – Prior Bonds" herein.

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MUB Combined Utility System – Aggregate Debt Service Table

The table below sets for the anticipated aggregate debt service for the Prior Bonds, the Series 2016 A Bonds and the Series 2016 B-1 Bonds. The Series 2016 B-2 Bonds are not included in this table as the principal thereof is forgiven by the West Virginia Water Development Authority and/or West Virginia Department of Environmental Protection – Clean Water State Revolving Fund on June 30th of the fiscal year in which any such principal amount is advanced.

Fiscal Year (Ending June 30)	Debt Service On Prior Bonds	Series 2016 A*	Series 2016 B-1* **	Total
2017	$6,869,050	-	-	$6,869,050
2018	6,869,581	-	-	6,869,581
2019	6,867,720	-	-	6,867,720
2020	6,853,629	-	-	6,853,629
2021	6,837,304	-	-	6,837,304
2022	6,818,575	-	-	6,818,575
2023	6,791,984	-	-	6,791,984
2024	6,766,533	-	-	6,766,533
2025	6,741,915	-	-	6,741,915
2026	6,632,462	-	-	6,632,462
2027	6,362,490	-	-	6,362,490
2028	6,331,627	-	-	6,331,627
2029	5,852,729	-	-	5,852,729
2030	5,331,936	-	-	5,331,936
2031	5,297,800	-	-	5,297,800
2032	5,254,244	-	-	5,254,244
2033	4,068,189	-	-	4,068,189
2034	3,494,348	-	-	3,494,348
2035	3,417,053	-	-	3,417,053
2036	3,367,426	-	-	3,367,426
2037	3,318,073	-	-	3,318,073
2038	3,268,141	-	-	3,268,141
2039	3,212,469	-	-	3,212,469
2040	3,128,008	-	-	3,128,008
2041	3,037,172	-	-	3,037,172
2042	426,529	-	-	426,529
2043	426,529	-	-	426,529
2044	261,309	-	-	261,309
2045	192,588	-	-	192,588
2046	192,588	-	-	192,588
2047	192,588	-	-	192,588
2048	192,589	-	-	192,589
2049	61,012	-	-	61,012
2050	38,943	-	-	38,943
2051	16,872	-	-	16,872
2052	16,872	-	-	16,872
2053	16,872	-	-	16,872
2054	16,872	-	-	16,872
2055	16,873	-	-	16,873
**Includes expected 0.25% administrative fee				

* Preliminary, subject to change

MUB Combined Utility System Historical and Projected Coverage **

	2013	2014	2015	2016	2017*	2018*	2019*	2020*
Operating Revenues	$21,454,380	$21,978,283	$22,842,087	$22,935,561	$33,789,995	$34,248,901	$34,541,342	$34,806,113
Other Operating Revenues	636,572	488,258	470,265	445,763	423,802	425,177	425,177	425,177
Total Operating Revenues	**$22,090,952**	**$22,466,541**	**$23,312,352**	**$23,381,324**	**$34,213,797**	**$34,674,078**	**$34,966,519**	**$35,231,290**
Total O & M Expense	12,538,608	13,338,657	13,768,514	15,185,021	16,073,068	16,798,372	18,042,493	18,872,882
Depreciation Expense	5,593,277	8,050,420	8,398,878	8,692,352	9,142,447	9,341,447	9,959,944	12,357,773
Operating Income	**$3,959,067**	**$1,077,464**	**$1,144,960**	**-$496,049**	**$8,998,282**	**$8,534,259**	**$6,964,082**	**$4,000,635**
Non-Operating Income	665,919	1,072,566	-128,103	1,001,638	941,384	941,384	941,384	941,384
Available for Debt Service	**$10,218,263**	**$10,200,450**	**$9,415,735**	**$9,197,941**	**$16,882,113**	**$18,817,090**	**$17,865,410**	**$17,299,792**
Debt Service Requirement	$6,953,390	$6,990,740	$7,230,075	$7,300,490	$9,134,384	$14,090,231	$14,084,901	$14,073,554
Coverage	**1.47x**	**1.46x**	**1.30x**	**1.26x**	**1.85x**	**1.34x**	**1.27x**	**1.23x**

* Preliminary, subject to change.
** Prepared by the Morgantown Utility Board

Method of Accounting

The accounts of the Water System, Sewer System and Stormwater System are organized on the basis of fund accounting as enterprise funds. With respect to operating revenues and expenses, the MUB accounts are maintained in accordance with generally accepted accounting principles. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF MORGANTOWN UTILITY BOARD FOR FISCAL YEAR ENDED JUNE 30, 2016" herein.

OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM

Series 2016 B Bonds Issued Simultaneously with Series 2016 A Bonds

In order to finance the costs of the Project not to be paid from the proceeds of the Series 2016 A Bonds and available funds of the Combined Utility System, the Issuer intends to issue, simultaneously with the issuance of the Series 2016 A Bonds, its Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), in the aggregate principal amount of $25,000,000 (the "Series 2016 B-1 Bonds) and its Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program-Green), in the aggregate principal amount of not more than $500,000 (the "Series 2016 B-2 Bonds" and, collectively, with the Series 2016 B-1 Bonds, the "Series 2016 B Bonds"). The Series 2016 B-2 Bonds are not included in the aggregate debt service calculation as the principal thereof is forgiven by the West Virginia Water Development Authority and/or West Virginia Department of Environmental Protection – Clean Water State Revolving Fund on June 30th of the fiscal year in which any such principal amount is advanced

The Series 2016 B Bonds shall have a first lien on the Gross Revenues from, and assets of, the Combined Utility System, on parity with the Series 2016 A Bonds, the proposed Series 2017 A Bonds, and the Prior Bonds.

Prior Bonds

The Issuer has outstanding the following bonds which will rank on a parity with the Series 2016 A Bonds and the Series 2016 B Bonds as to liens, pledge, source of and security for payment from the Gross Revenues derived from the Combined Utility System, as follows:

(1) 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 (the "Series 2000 A Bonds");

(2) 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 (the "Series 2000 B Bonds");

(3) 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 (the "Series 2006 A Bonds");

(4) 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 (the "Series 2007 A Bonds");

(5) 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 (the "Series 2010 A Bonds");

(6) 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 (the "Series 2010 C Bonds");

(7) 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 (the "Series 2010 D Bonds");

(8) 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 (the "Series 2010 E Bonds");

(9) 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 (the "Series 2010 F Bonds");

(10) 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 (the "Series 2012 A Bonds");

(11) 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 (the "Series 2012 C Bonds");

(12) 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 (the "Series 2013 A Bonds");

(13) 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 (the "Series 2014 B Bonds");

(14) 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 (the "Series 2015 A Bonds");

(15) 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 (the "Series 2015 B Bonds");

(16) 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 (the "Series 2015 C Bonds");

(17) 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 (the "Series 2015 D Bonds"); and

(18) 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 (the "Series 2015 E Bonds").

The Series 2000 A Bonds, Series 2000 B 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 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 are hereinafter collectively called the "Prior Bonds." The ordinances which authorized the issuance of the Prior Bonds, as supplemented, are herein collectively referred to as the "Prior Ordinances." As of June 30, 2016, the Prior Bonds were outstanding in the amount of $92,297,337. See chart contained in "DEBT SERVICE REQUIREMENTS – Existing Long-Term Debt of the Combined Utility System" herein.

Future Bond Issues

The Issuer and MUB anticipate the issuance of bonds on a parity with the Series 2016 A Bonds and the Series 2016 B Bonds in the future. Such future bond issues include, but will not be limited to, Additional Parity Bonds to finance the following projects which are in various states of planning or commitment:

Water Reservoir Project.

The Project to be financed with the proceeds of the Series 2016 A Bonds and the Series 2016 B Bonds was originally planned to go to construction simultaneously with a project to construct a new water reservoir for the Water System and, depending on the availability of funds, additional assets for the Water System (hereinafter more fully described, the "Water Reservoir Project"), financed with a separate series of bonds on a parity with the Series 2016 A Bonds and Series 2016 B Bonds. Due to design and regulatory delays, the Water Reservoir Project has been delayed and construction bids were opened on October ___, 2016. The Issuer and MUB anticipate that the Water Reservoir Project will go to construction in the first quarter of 2017.

An ordinance authorizing the issuance by the Issuer of its Combined Utility System Revenue Bonds, Series 2016 D in an amount not to exceed $40,000,000 was enacted by City Council contemporaneously with the Series 2016 A Ordinance. The Issuer anticipates issuing the bonds to finance the Water Reservoir Project in the first quarter of 2017 and will re-designate the obligations, via supplemental resolution, as "Combined Utility System Revenue Bonds, Series 2017 A," while the not to exceed amount will remain $40,000,000 (the "Series 2017 A Bonds"). The rate modifications for the Water System enacted to pay the anticipated debt service for the Project also included sufficient revenues to for the anticipated debt service on the Series 2017 A Bonds. These rates began to be charged on July 1, 2016.

Rockley Road Water Extension Project.

This project will provide water service to approximately 29 retail customers along Rockley Road. The project is designed and MUB anticipates construction will begin in the second quarter of 2017. The project will be financed through the issuance by the Issuer of its Combined Utility System Revenue Bonds, Series 2017 B, in an amount not to exceed $1,000,000 (the "Series 2017 B Bonds"). The Series 2017 B Bonds are expected to be

purchased by the West Virginia Water Development Authority on behalf of the West Virginia Infrastructure and Jobs Development Council (the "WVIJDC") at an interest rate of 1% for a term of 40 years, pursuant to a commitment letter from the WVIJDC. While the Series 2017 B Bonds will be secured by a parity first lien on the Combined Utility System, the new customers added by the Rockley Road Water Extension will each pay an additional surcharge which, in aggregate, will pay the debt service and coverage requirement for the Series 2017 B Bonds.

Scotts Run Sewer Extension Project.

The Scotts Run Sewer Extension Project will extend sewer collection service to approximately 40 retail customers who do not currently have sanitary sewer service. The project is currently being designed and MUB anticipates construction will begin in 2018. The project is expected to be financed through the issuance by the Issuer of its Combined Utility System Revenue Bonds, Series 2018 A, in an amount not to exceed $10,000,000 (the "Series 2018 A Bonds"). While funding for the project is not yet committed, the Issuer and MUB anticipate that the Series 2018 A Bonds will be purchased by the West Virginia Water Development Authority on behalf of either the WVIJDC or the West Virginia Department of Environmental Protection, Clean Water State Revolving Fund, at an effective interest rate of 1% or 2% for a term of either 30 or 40 years.

MUB acquired what was formerly the sanitary sewer collection system of Scotts Run Public Service District ("Scotts Run PSD") in 2013. The rates charged to the customers of Scotts Run PSD were substantially higher than the rates of MUB's existing retail sanitary sewer customers, and the higher rates remain in effect for the former Scotts Run PSD customers following the acquisition. As a result of organizational efficiencies following the acquisition, MUB has eliminated approximately $200,000 of annual cost attributable to serving the former Scotts Run PSD customers. The scope/financing of the proposed project is being structured so that this $200,000 of savings will cover the additional debt service for the Series 2018 A Bonds. The additional debt service related to this project has been included in the rates enacted in anticipation of the issuance of the Series 2016 A Bonds, the Series 2016 B Bonds and the Series 2017 A Bonds, while revenues from the new customers added as a result of the proposed project have not been included.

The anticipated debt service for the Water Reservoir Project and the Scotts Run Sewer Extension Project have been included in the rates for the Water System and Sewer System enacted by City Council in early 2016. Due to the surcharge to be paid by the new customers, the Rockley Road Water Extension Project is rate neutral.

STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES

State Utility Regulation

Public water and sewer utilities in West Virginia are subject to regulatory review by the PSC. Public stormwater facilities are not subject to PSC regulation. Pursuant to state legislation which became effective on June 12, 2015 ("Senate Bill 234"), the scope of PSC authority over larger public water and sewer utilities such as MUB. As a result of Senate Bill 234, MUB was exempted from the PSC regulation and approval of, among other things:

1. Amendments and modifications to rates and charges of the Water System and the Sewer System; and

2. The requirement to obtain prior PSC approval for construction of capital projects which are outside "the normal course of business.

These changes result in significant savings of both time and expense for MUB when pursuing both rate increases and capital projects.

While Senate Bill 234 removed the authority of the PSC to review amendment and modification of water and sewer rates and charges of larger utilities, the legislature also provided specific protection to bondholders. Specifically, West Virginia Code Section 24-2-1(b)(8) was amended by Senate Bill 234 to provide as follows:

> (I)n the event that a political subdivision has a deficiency in either its bond revenue or bond reserve accounts, or is otherwise in breach of a bond covenant, the bondholder may petition the Public Service Commission for such redress a will bring the accounts to current status or otherwise resolve the breached covenant, and the commission shall have jurisdiction to fully resolved the alleged deficiency or breach.

Neither the Issuer or MUB is aware that any bondholder has petitioned the PSC for relief pursuant to this specific authority since it became effective on June 12, 2015.

Rate Setting and Project Approval Process

The PSC retains authority to investigate and resolve: (i) disputes between MUB and the Resale Customers regarding rates, fees and charges for the Water System and Sewer System; and (ii) complaints by MUB customers regarding the PSC's exercise of powers enumerated in Chapter 24, Article 2, Section 1(b) of the Code of West Virginia, 1933. Moreover, the PSC regulatory oversight includes regulation of measurements, practices, acts or service of MUB, regulation of MUB's system of accounts, regulation of the MUB's submission of tariffs, adjudication of service territory disputes, and certain agreements between utilities.

The Council of the City has the authority to implement rates and charges for the Combined Utility System through the enactment of a Rate Ordinance. Such rates and charges are required by the Act to be sufficient at all times to: (i) provide for the payment of interest on all bonds issued pursuant to the Act and to create a sinking fund to pay the principal of such bonds as and when the same becomes due, and reasonable reserves therefore; (ii) provide for the repair, maintenance and operation of the systems; provide an adequate revenue and replacement fund; and (iii) make any other payments required or provided for in the applicable bond ordinance. The Act provides that rates and charges established by municipally operated utilities shall be just, reasonable, applied without unjust discrimination or preference and based primarily on the costs of providing service. Under the Act, a municipality is required to maintain a "working capital reserve" for its respective water, sewerage and stormwater systems in an amount of no less than one-eighth (12.5%) of its actual annual operation and maintenance expense, which amount must be separate and distinct from and in addition to any renewal and replacement fund.

Enactment of a Rate Ordinance by City Council requires a minimum of four to six weeks, including pre-enactment notice of the proposed increased rates and charges. The Council of the City must have two readings of a Rate Ordinance, separated by fourteen (14) days, with a public hearing prior to the second reading. Pre-enactment notice of the proposed rates and charges must be provided to the City's customers with the billing statement in the month prior to the first reading of a Rate Ordinance. The new rates and charges cannot go into effect any sooner than 45 days after the date of enactment of a Rate Ordinance, unless the Council affirmatively finds and declares that the Combined Utility System is in financial distress such that the 45-day waiting period would be detrimental to the ability of the Combined Utility System to deliver continued and compliant service. Once enacted by the City, the proposed rates and charges are subject to investigation by the PSC upon the filing of a complaint by any one of the Resale Customers of the portion of the Combined Utility System for which such rates and charges are being modified. Resale Customers have no statutory timeframe following the enactment of a Rate Ordinance within which they must file a complaint, nor does the PSC have a statutory time frame within which to render a decision on such a complaint.

The Council of the City also has the authority to authorize capital projects not in the "normal course of business" through the enactment of a project ordinance (a "Project Ordinance"). Enactment of a Project Ordinance requires a minimum of four to six weeks, including pre-enactment notice of the proposed capital project and any change in rates and charges associated with the capital project. The Council of the City must have two readings of a Project Ordinance, separated by fourteen (14) days, with a public hearing prior to the second reading. Pre-enactment notice of the capital project and any associated charge in rates and charges must be provided to the City's customers with the billing statement in the month prior to the first reading of a Project Ordinance. Approval by the Council of the City of a Project Ordinance cannot go into effect any sooner than 45 days after the date of enactment of a Project Ordinance.

The PSC has retained jurisdiction over collection issues between utilities. Accordingly, in the event that any of the Water Resale Customers or Sewer Resale Customers becomes delinquent, the PSC is the appropriate venue for MUB to seek redress. The PSC has the authority to order the rates of a resale customer increased and/or the imposition of a surcharge in order to assure the full payment to MUB. MUB does not have the ability to terminate service to any resale customer without PSC approval.

Currently, Pleasant Valley Public Service District, a water resale customer ("Pleasant Valley"), has an arrearage to MUB of approximately $200,000. MUB filed a complaint case at the PSC, Case No. 16-0797-PWD-19A, seeking the imposition of rates and/or a surcharge upon the Pleasant Valley customers to repay the obligation to MUB. The case is currently pending before the PSC, and MUB anticipates that the full arrearage, with late fees, will be repaid.

MUB Rate History and Comparison

The table below shows the recent rate history of MUB. MUB does not have a policy of regularly pursuing rate increases on a pre-determined schedule.

Morgantown Water

Date	Bill Amount (in Gallons) 4,500	200,000	Percent Increase
12/19/1992	$ 5.92	$ 186.96	
1/20/2005	$ 7.65	$ 242.94	29%
9/28/2005	$ 8.03	$ 253.10	5%
10/4/2008	$ 8.98	$ 283.64	12%
1/1/2012	$ 17.42	$ 586.40	94%
7/1/2016	$ 23.18	$ 780.80	33%

Morgantown Sewer

Date	Bill Amount (in Gallons) 4,500	200,000	Percent Increase
12/19/1992	$ 12.03	$ 487.90	
1/20/2005	$ 12.77	$ 504.30	6%
9/28/2005	$ 13.83	$ 561.20	8%
11/22/2008	$ 15.48	$ 627.92	12%
1/1/2012	$ 20.97	$ 839.60	35%
7/1/2016	$ 39.33	$ 1,574.40	87.5%

Cheat Sewer

Date	Bill Amount (in Gallons) 4,500	200,000	Percent Increase
2/7/1995	$ 12.96	$ 576.00	
1/1/2001	$ 37.50	$ 1,281.50	189%
7/1/2014	$ 46.50	$ 1,589.06	24%

Most of MUB's rate increases have been initiated as a result of new projects and the need to increase revenues for project-related debt service. These project-related increases have also included additional new revenues to address increased O&M expenses. The need for general inflation based rate increases is limited by several favorable factors, including:

- Sustained customer growth
- Sustained system growth by both system extensions and acquisitions
- Investment income
- Rents and leases
- Additional revenues earned by sale of services to other utilities, including
  - Operation and Maintenance
  - Billing and collection

By aggressively managing the above, MUB maintains some of the lowest rates in the State. The two graphics below illustrate this comparison. The graphics were used in the recent public outreach campaign in connection with the Project and the Water Reservoir Project, and their titles are now outdated.

MUB Rates Prior to July 1, 2016
Total Monthly Water and Sewer Bills

MUB Rates After July 1, 2016
Total Monthly Water and Sewer Bills

Before July 1, 2016, a MUB customer using 4,000 gallons of water paid a combined water/sewer bill of $34.12. That ranked as the lowest cost of 25 comparable systems throughout the State, and $34.99 below the statewide average of $69.11. Compared to the neighboring cities of Clarksburg and Fairmont, the same consumption in those areas would cost $65.52 and $58.52, respectively. Residents of Charleston, the State Capital, pay $108.62.

After July 1, 2016, a MUB customer using 4,000 gallons pays a combined water/sewer bill of $55.56. That ranks as the seventh lowest cost of 25 comparable systems throughout the State, and is still $13.55 below the statewide average of $69.11. Compared to the neighboring cities of Clarksburg and Fairmont, the new MUB rate is lower by $9.96 and $2.96, respectively. The new MUB rate is $53.06 less than that of Charleston.

The increase in the typical MUB monthly bill used in the above examples is $21.44. That represents a combined 62.8% increase for the average residential customer (33% for water and 87.5% for sewer). That percentage is relatively large, in part, because it is based on extremely low original rates. That same $21.44 monthly increase would be 33% in Clarksburg, 37% in Fairmont, and only 20% in Charleston.

MUB Retail Customer Collection Process

The 10 year average of uncollectible accounts is less than 0.33% percent of invoices issued for utility services.

MUB employs a regimented collection protocol, including written reminder notices, text messages, and phone calls to customers with late accounts. Upon default, and pursuant to tariff and state law, MUB will physically terminate water service for a past due account. Reactivation of service occurs only upon full payment of the account and a deposit made as guarantee against future service billing. Pursuant to MUB policy and state law, MUB offers payment arrangements in hardship cases. However, no free service is offered or provided to any customer, private or public.

New customers must provide a security deposit before service is provided. The deposit is held for a minimum of 1 year and, if the account is and has been current, it is returned as a credit on a bill. In the case of unpaid final bill balances, with which there is no active customer account, the accounts are referred to a third party collection agency 30 days after the bill is past due.

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MUB Retail Customer Uncollectible Accounts

FYE (ending June 30)	Water	Morgantown Sewer	Cheat Sewer	Storm	Total	% of Total Revenues	Total Revenues
2016	$20,866	$21,929	$1,931	$3,394	$48,120	0.382%	$12,598,036
2015	$25,958	$30,273	$1,917	$3,530	$61,678	0.477%	$12,931,756
2014	$17,708	$24,400	$2,873	$4,498	$49,479	0.376%	$13,151,596
2013	$8,991	$18,039	$7,230	$10,764	$45,024	0.316%	$14,247,159
2012	$12,158	$19,189	$2,911	$5,673	$39,931	0.268%	$14,913,693
2011	$26,438	$17,729	$3,381	$4,101	$51,649	0.341%	$15,152,814
2010	$10,578	$16,845	$2,770	$3,544	$33,737	0.183%	$18,449,323
2009	$12,216	$17,504	$2,705	$3,378	$35,803	0.165%	$21,717,305
2008	$12,772	$15,290	$2,991	$3,246	$34,299	0.155%	$22,156,348
2007	$12,122	$15,537	$2,498	$4,240	$34,397	0.149%	$23,045,380
2006	$11,942	$16,261	$1,474	$3,525	$33,202	0.143%	$23,145,261

MUB Wholesale Customer Collection Process

The PSC has retained jurisdiction over collection issues between utilities. Accordingly, in the event that any of the Water Resale Customers or Sewer Resale Customers becomes delinquent, the PSC is the appropriate venue for MUB to seek redress. The PSC has the authority to order the rates of a resale customer increased and/or the imposition of a surcharge in order to assure the full payment to MUB. MUB does not have the ability to terminate service to any resale customer without PSC approval.

Currently, Pleasant Valley Public Service District, a water resale customer ("Pleasant Valley"), has an arrearage to MUB of approximately $200,000. MUB filed a complaint case at the PSC, Case No. 16-0797-PWD-19A, seeking the imposition of rates and/or a surcharge upon the Pleasant Valley customers to repay the obligation to MUB. The case is currently pending before the PSC, and MUB anticipates that the full arrearage, with late fees, will be repaid.

LITIGATION

There is not now pending or, to the best of the Issuer's and MUB's knowledge, threatened any litigation restraining or enjoining the issuance or delivery of the Series 2016 A Bonds or questioning or affecting the validity of the Series 2016 A Bonds, the proceedings and authority under which they are to be issued, nor is the creation, organization, or existence of the Issuer or MUB being contested. Nor is there any litigation pending or, to the best of the Issuer's and MUB's knowledge, threatened which (i) in any manner questions the right of the MUB to operate the Combined Utility System or MUB's right to conduct its activities in accordance with the provisions of the Act and of the Series 2016 A Ordinance, or (ii) if determined adversely to MUB, would have a material adverse impact on the financial condition of the Combined Utility System.

The Issuer and MUB are subject to a variety of suits and proceedings arising out of their ordinary course of operations, some of which may be adjudicated adversely to the Issuer or MUB. Any such litigation is of a routine nature which does not affect the right of the Issuer or MUB to conduct its business or the validity of the Issuer's obligations.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2016 A Bonds are subject to the unqualified approving opinion of Steptoe & Johnson PLLC, Bond Counsel, whose opinions will be delivered concurrently with the delivery, upon original issuance, of the Series 2016 A Bonds, substantially as set forth as "APPENDIX D – PROPOSED FORM OF BOND COUNSEL OPINION" herein. Steptoe & Johnson PLLC also serves as Disclosure Counsel to the Issuer and MUB. Certain legal matters will be passed upon for the Issuer by Ryan Simonton, Esquire, City Attorney. Certain legal matters will be passed on for MUB by its General Counsel, Timothy Stranko. Jackson Kelly PLLC will pass upon certain matters as counsel for the Underwriters.

CONTINUING DISCLOSURE

The Issuer has agreed to an undertaking (the "Undertaking") for the benefit of the Registered Owners of the Series 2016 A Bonds to provide certain financial and operating information (the "Annual Financial Information") not later than the last day of the fiscal year (presently ending June 30) immediately following the end of the Issuer's fiscal year for which disclosure is due, commencing with the report for the fiscal year ending June 30, 2016, and to provide notice of the occurrence of enumerated events, all as further described in the Continuing Disclosure Agreement to be entered by the Issuer in substantially the form attached as "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT" herein. The Annual Financial Information and each notice of enumerated events is required to be filed electronically by DAC, as dissemination agent on behalf of the Issuer, with the Electronic Municipal Markets Access system ("EMMA").

This continuing disclosure obligation is being undertaken by the Issuer to assist the Underwriters in complying with Rule 15c2-12 promulgated by the SEC. The Issuer has agreed to give notice in a timely manner to EMMA. However, any such failure will not constitute a default under the terms of the Series 2016 A Ordinance or the Series 2016 A Bonds. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. See "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT" herein. Registered Owners may contact the City Manager for more information. See "MISCELLANEOUS" herein.

Prior Continuing Disclosure Undertakings

The Issuer previously entered into continuing disclosure agreements with respect to certain of the Prior Bonds. Despite the existence of these prior continuing disclosure agreements and the Rule (as described above), the Issuer:

Failed to timely file Audited Financials for the fiscal years ended June 30, 2012, June 30, 2013, June 20, 2014 and June 30, 2015, and failed to timely file notices of failure to timely file such Audited Financials in each such instance;

Failed to timely file Operating Data for the Combined Utility System for the fiscal years ended June 30, 2011 and June 30, 2009, and failed to timely file notices of failure to timely file such Operating Data in each such instance; and

Failed to timely file notices of rating changes related to the insurer of the Issuer's Series 2010 A and Series 2010 F Bonds, and failed to timely file notices of failure to timely file notices of such rating changes in each such instance.

All such filings of Audited Financials and Operating Data, as well as material event notices, have been made as of the date hereof, as well as all notices of failure to timely make all such filings.

The Issuer has engaged DAC to serve as dissemination agent for the Series 2016 A Bonds, as well as the Series 2010 A Bonds, the Series 2010 F Bonds and the Series 2012 C Bonds.

TAX MATTERS

General

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2016 A Bonds (i) is excludable from gross income of the holders thereof for federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Code; (ii) is not a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the federal alternative minimum tax imposed on individuals and corporations; provided, however, that interest on the Series 2016 A Bonds is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax that may be imposed on corporations; and (iii) under the laws of the State of West Virginia, the Series 2016 A Bonds are exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia. See West Virginia Code Section 8-20-5.

The opinions described in this section are subject to the condition that the Issuer complies on a continuing basis with all requirements of the Code, and regulations thereunder that must be satisfied for interest on the Series 2016 A Bonds to be or continue to be excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the interest on the Series 2016 A Bonds to be included in the gross income of the recipients thereof for purposes of federal income taxation, including retroactively to the date of issuance of the Series 2016 A Bonds.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Series 2016 A Ordinance and the Tax Certificate relating to the Series 2016 A Bonds permit certain actions to be taken or to be omitted if a favorable opinion of a bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest on any Series 2016 A Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Series 2016 A Bonds will be selected for audit by the IRS. It is also possible that the market value of the series 2016 A Bonds might be affected as a result of such an audit of the Series 2016 A Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the series 2016 A Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Series 2016 A Bonds or their market value.

Special Considerations with Respect to the Series 2016 A Bonds

The accrual or receipt of interest on the Series 2016 A Bonds may otherwise affect the federal income tax liability of the owners of the Series 2016 A Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Prospective purchasers should be aware of certain collateral consequences which may result under federal tax law for certain holders of the Series 2016 A Bonds: (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2016 A Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series 2016 A Bonds, (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for losses incurred by 15 percent of the sum of certain items, including interest on the Series 2016 A Bonds, (iii) interest on the Series 2016 A Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iv) passive investment income, including interest on the series 2016 A Bonds, may be subject to federal income taxation under Section 1375 of the Code for an S Corporation that has Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such S Corporation is passive investment income, (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income receipts or accruals of interest on the Series 2016 A Bonds, and (vi) receipt of investment income, including interest on the Series 2016 A Bonds, may, pursuant to Section 32(i) of the Code, disqualify the recipient from obtaining the earned income credit provided by Section 32(a) of the Code.

Backup Withholding

Interest paid on tax-exempt obligations such as the Series 2016 A Bonds is generally required to be reported by payors to the IRS and to recipients in the same manner as interest on taxable obligations. In addition, such interest may be subject to "backup withholding" if the Bondholder fails to provide the information required on IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the Bondholder as being subject to backup withholding because of prior underreporting. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Series 2016 A Bonds from gross income for federal tax purposes.

Changes in Federal and State Tax Law

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Series 2016 A Bonds, including legislation, court decisions, or administrative actions, whether at the federal or state level, may affect the tax exempt status of interest on the Series 2016 A Bonds or the tax consequences of ownership of the Series 2016 A Bonds. No assurance can be given that future legislation, if enacted into law, will not contain provisions which could directly or indirectly reduce the benefit of the exclusion of the interest on the Series 2016 A

Bonds from gross income for federal income tax purposes or any state tax benefit. Tax reform proposals and deficit reduction measures, including the limitation of federal tax expenditures, are expected to be under ongoing consideration by the United States Congress. These efforts to date have included proposals to reduce the benefit of the interest exclusion from income for certain holders of tax-exempt bonds, including bonds issued prior to the proposed effective date of the applicable legislation. Future proposed changes could affect the market value or marketability of the Series 2016 A Bonds, and, if enacted, could also affect the tax treatment of all or a portion of the interest on the Series 2016 A Bonds for some or all holders. Holders should consult their own tax advisors with respect to any of the foregoing tax consequences.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2016 A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2016 A Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2016 A Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2016 A Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

[Original Issue Discount

Original issue discount ("OID") is the excess, if any, of the stated redemption price at maturity over the issue price. The issue price is the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of the debt instrument was sold. The Series 2016 A Bonds maturing on _____ 1, 20__, _____ 1, 20__ and _____ 1, 20__ (the "Series 2016 A Discount Bonds"), were sold with OID. For federal income tax purposes, OID accrues to the owner of a Series 2016 A Discount Bond over the period to maturity based on the constant yield method, compounded annually (or over a shorter permitted compounding interval selected by the owner). The portion of the OID that accrues during the period of ownership of a Series 2016 A Discount Bond (i) will be interest excludable from the owners' gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2016 A Bonds, and (ii) will be added to the owner's tax basis for purposes of determining a gain or loss on the maturity, redemption, prior sale or other disposition of that Series 2016 A Discount Bond. A purchaser of a Series 2016 A Discount Bond in the initial public offering at the price for that Discount Bond stated on the inside front cover page of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Series 2016 A Discount Bond.

Owners of Series 2016 A Discount Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID properly accruable in any period with respect to the Series 2016 A Discount Bonds as as to other federal tax consequences, and the treatment of the OID for purposes of state and local taxes on, or based on, income.

Original Issue Premium

The Series 2016 A Bonds maturing on _____ 1, 20__, _____ 1, 20__ and _____ 1, 20__ (the "Series 2016 A Premium Bonds") were sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity in the case of the "Noncallable Series 2016 A Premium Bonds" or their earlier call date in the case of the "Series 2016 A Callable Premium Bonds." The difference between the principal amount payable at maturity of the Series 2016 A Noncallable Premium Bonds and the tax basis of a Noncallable Premium Bond to a purchaser and the difference between the amount payable at the call date of the Callable Series 2016 A Premium Bonds that minimizes the yield to a purchaser of a Callable Premium Bond and the tax basis to a purchaser (in either case, other than a purchaser who holds a Series 2016 A Premium Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) will be "bond premium." For federal income tax purposes, bond premium is amortized over the period to maturity of a Noncallable Series 2016 A Premium Bond. A purchaser of a Series 2016 A Premium Bond will be required to decrease his or her adjusted basis in the Series 2016 A Premium Bond by the amount of amortizable bond premium attributable to each taxable year he or she holds the Premium Bond. The amount of amortizable bond premium attributable to a taxable year will be determined at a constant interest rate compounded annually. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Series 2016 A Premium Bond.

Owners of Series 2016 A Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of bond premium properly accruable in any period with respect to the Series 2016 A Premium Bonds as to other federal tax consequences, and the treatment of the bond premium for purposes of state and local taxes on, or based on, income.]

RATINGS

Based on the insurance policy issued by _____, S&P Global Ratings Services, a division of the McGraw-Hill Companies, Inc. ("S&P") has assigned a rating of "___" with respect to the Series 2016 A Bonds. Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "___" with respect to the Series 2016 A Bonds. The Issuer did not apply for any other ratings.

Each such rating reflects only the views of such rating agency. Any desired explanation of the significance of such rating should be obtained from S&P or Moody's, respectively. Certain information and materials not included in this Official Statement were furnished by the Issuer to S&P and Moody's. There is no assurance either of these ratings will continue for any period of time or that the rating will not be reviewed, downgraded or withdrawn entirely if, in the judgment of S&P or Moody's, as applicable, circumstances so warrant. The Underwriters have undertaken no responsibility to bring to the attention of the Bondholders any proposed revision or withdrawal of the ratings of the Series 2016 A Bonds or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of a rating could have an adverse effect on the market price of the Series 2016 A Bonds.

FINANCIAL ADVISOR

Public Financial Management, Inc., has served as financial advisor (the "Financial Advisor") to the Issuer and MUB with respect to the issuance of the Series 2016 A Bonds. MUB has retained Public Financial Management, Inc. as Financial Advisor in connection with various matters relating to the delivery of the Series 2016 A Bonds. The Financial Advisor assumes no responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Financial Advisor is an independent advisory firm and is not engaged in the underwriting or distribution of securities.

UNDERWRITING

The Series 2016 A Bonds are being purchased by the Underwriters named on the cover of this Official Statement. The Bond Purchase Agreement provides that the Underwriters will purchase all the Series 2016 A Bonds, if any are purchased, at a purchase price equal to the initial public offering prices set forth on the cover page hereof less an Underwriters' discount of $_____, plus [net original issue premium of $_____]. The obligation to make such purchase is subject to the terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel. The Underwriters may change the initial public offering prices from time to time. The Underwriters may offer and sell Series 2016 A Bonds to certain dealers (including dealers depositing Series 2016 A Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof, and such public offering price also may be changed without prior notice, from time to time, by the Underwriters.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the course of their various business activities, the Underwriters and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of MUB directly, as collateral securing other obligations or otherwise and/or persons and entities with relationships with MUB. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

FINANCIAL STATEMENTS

Included herein as Appendix B are the audited financial statements (and reports with respect thereto) of the Morgantown Utility Board as of June 30, 2016. The financial statements have been included herein in reliance upon the reports of the preparers thereof as experts in auditing and accounting. MUB has obtained the consent of _____, Certified Public Accountants to publish the audited financial statements with this Official Statement.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract or agreement with the purchasers or owners of the Series 2016 A Bonds.

Copies of the Series 2016 A Ordinance, the Undertaking, the Act and other applicable documents may be obtained from the Issuer at the following address:

The City of Morgantown
Attention: City Manager
389 Spruce Street
Morgantown, West Virginia 26505

or, during the period of offering the Series 2016 A Bonds, from the Underwriters. Ongoing financial information may be obtained from the Issuer at the address set forth above.

This Official Statement has been duly approved and its execution and distribution authorized by the Issuer and the Morgantown Utility Board.

THE CITY OF MORGANTOWN (WEST VIRGINIA)

By: _____
Mayor

MORGANTOWN UTILITY BOARD

By: _____
General Manager

APPENDIX A

THE CITY OF MORGANTOWN (WEST VIRGINIA)
ECONOMIC AND DEMOGRAPHIC DATA

General

The City of Morgantown is the County seat of Monongalia County, located along the Monongahela River and close to the Pennsylvania border, in north central West Virginia. Morgantown is home to West Virginia University, the largest institution of higher education in the State with an annual enrollment of approximately 28,776 students and is the medical, cultural, and commercial hub of the region. The population in Morgantown is estimated at 30,000.00.

Morgantown and Monongalia County offer "Mountains of Opportunity" for business development and expansion. This is one of the major growth areas in the State. Monongalia County has been one of the fastest growing counties in the State over the last two decades.

Morgantown and Monongalia County have consistently experienced some of the lowest unemployment rates in the State. Major employers in the City include the National Institute of Occupational Safety and Health (NIOSH), Mylan Pharmaceuticals, and West Virginia University.

One-half of the population of the United States, and one-third of the population of Canada, is located with 500 miles of Morgantown. Morgantown is one day's drive from 6 of the 8 largest U.S. metropolitan areas, 20 metro areas with populations of 1 million or more, and 22 of the nation's top 35 industrial markets.

City Government

The City of Morgantown is governed by a City Manager Council form of government, which was adopted in the City Charter in 1977.

Council member terms are two years in duration, with members being voted onto council for each of seven wards. The terms of Council members are not staggered; thus all seven council seats are up for election every two years. Council members must be sponsored by 75 registered voters from their ward to be placed on the election ballot. Once on the ballot, council members are elected by all voters of the City. The Mayor is elected from the members of council, by the council members, every two years.

The current members of the City Council are as follows:

MEMBER	TERM EXPIRES
Marti Shamberger, Mayor	June 30, 2017
Ron Bane	June 30, 2017
Bill Kawecki	June 30, 2017
Wes Nugent	June 30, 2017
Jennifer Selin	June 30, 2017
Jay Redmond	June 30, 2017
Nancy Ganz	June 30, 2017

Population

The population of The City of Morgantown for the last decade is set forth below:

Year	Population	Year	Population
2010	28,984	2015	30,708
2009	30,333	2014	31,073
2008	29,639	2013	30,666
2007	29,308	2012	30,273
2006	29,217	2011	29,860

Source: U.S. Census Bureau

The total population for The City of Morgantown and Monongalia County from 1970 to 2010 are as follows

Year	Morgantown	Monongalia County	Area*
1970	29,431	63,714	N/A
1980	27,605	75,024	410,500
1990	28,280	75,645	381,100
2000	26,697	81,907	394,897
2010	28,984	96,776	

*Represents Monongalia County and six contiguous counties including Fayette County and Greene County in Pennsylvania and Marion County, Preston County, Taylor County and Wetzel County, West Virginia.

Additional Information on Monongalia County for 2010 includes:

Population	96,776
Households	43,238
Persons per Household	2.24

Transportation and Location

The City of Morgantown is served by the following:

Highways:
I-79 and I-68; U.S. 19 and 119; WV 7, 100 and 218

Transit:
Greyhound Bus Lines; Mountain Line (city/county transit); WVU Personal Rapid

Transit Railroads:
Norfolk-Southern Railroad offers daily freight service.

Air:
Morgantown Municipal Airport (Hart Field) offers daily commuter service to Pittsburgh via US Air Express. Pittsburgh International Airport is 80 miles north of Morgantown.

Water:
The Monongahela River is a navigable waterway with a nine-foot channel depth.

Highway Distances from Morgantown (miles)

City	Distance from Morgantown, WV (miles)
Baltimore, MD	212
Charleston, WV	156
Charlotte, NC	376
Chicago, IL	529
Cleveland, OH	201
Columbus, OH	205
New York, NY	379
Philadelphia, PA	313
Pittsburgh, PA	75
Washington, DC	209

Source: www.distance-cities.com

Education

The following chart shows the information for the types of schools and the number of each that are in Monongalia County for the school years 2014-2015:

Type of school	Public	Private
Elementary Schools (PK-6)	11	4
Middle Schools (varies 5-8)	5	5
High Schools (varies 7-12)	3	2
Technical Centers	1	0
Alternative Education	0	1

Source NCES, 2010-2011

The total public school enrollment for Monongalia County in 2014-2015 was 11,192 students. The combined graduation rate for 3 high schools was 90.7%. The pupil/teacher ratio is 15.2:1.

Source: NCES, WV SBA

Higher Education

West Virginia University ("WVU") is located in Morgantown and is the flagship institution of higher education in the State of West Virginia. A public land grant institution, WVU was founded in 1867. WVU has 135 colleges and schools that offer 191 bachelor, masters, doctoral and professional degree programs. WVU is a "Carnegie Research University" and as such, is one of the nation's top research universities.

Source: www.wvu.edu

Other post-secondary schools in the State include West Virginia Junior College in Morgantown, Fairmont State University in Fairmont, West Virginia; Salem International University in Salem, West Virginia and Waynesburg University in Waynesburg, Pennsylvania.

Libraries

The Morgantown Public Library System consists of the main facility in downtown Morgantown, as well as four branches located in the Cheat Lake Area, Clinton District, Clay-Battelle and Aull Center. One

library card can be used throughout the entire Northern Library Network. Free public access to Internet terminals with word processing capabilities is available and the library system offers a wide variety of free day and evening programs.

The West Virginia University Library supports the teaching, research and service functions of WVU. The libraries contain close to 1.9 million History OnView website catalogs/volumes, 229 electronic databases and more than 45,000 online full-text journals, with access to 36 million volumes through a book-sharing consortium. In addition, the West Virginia University Library contains 40,000 historical photos. The libraries also subscribe to more than 5,000 print periodical titles and have access to more than 17,000 electronic journals. The library system includes five libraries: the Downtown Library Complex, the Libraries Depository, the Law Library, the Health Sciences Library and the Evansdale Library.
Source: www.wvu.edu

Health Care

Hospitals The Monongalia General Hospital is an accredited, community-based hospital providing a full range of inpatient, surgical, medical, outpatient, and emergency room services. As a 189-bed general hospital, Monongalia General Hospital is the flagship of Monongalia Health System (MHS), an integrated health care delivery system, which offers a full range of health care services. Monongalia General Hospital's web site is www.monhealth.com.

The Robert C. Byrd Health Sciences Center of West Virginia University offers a full range of health care, provided by WVU faculty physicians and associated professionals. Ruby Memorial Hospital is the largest facility in the WVU Hospitals family, which includes WVU Children's Hospital, a same-day surgery center, a skilled nursing unit, and the region's only Level 1 trauma center. Also on the health science campus are the Mary Babb Randolph Cancer Center, Chestnut Ridge psychiatric hospital, the Sleeth Family Medicine Center, and HealthSouth Mountainview Regional Rehabilitation Center. WVU also hosts a major facility of the National Institute for Occupational Safety and Health. The campus is home to the state's helicopter ambulance service and is served by a nearby Ronald McDonald House. The Health Sciences Center web site is at www.wvu.edu.

Health Clinics The following are health clinics located in and around Morgantown: Clay Battelle Community Health Center; Morgantown Orthopedic Associates, Inc.; WVU - Cheat Lake Medical Associates Center for Excellence in Disabilities; Community Medical Associates; Cheat Lake Urgent Care; Physicians Office Center; Monongalia County Health Department; Morgantown Ear, Nose and Throat Clinic; Valley Community Mental Health Center; Morgantown Health Right Clinic; VanVoorhis Family Practice Center.

Utilities

The following public utilities provide service in Morgantown:

Electric: Allegheny Power
Natural Gas: Dominion Hope, Mountaineer Gas Company
Water, Sewer, and Stormwater: Morgantown Utility Board

Employers
The top employers in The City of Morgantown and Monongalia County:

Employer
West Virginia University
West Virginia University Hospital
Mylan Pharmaceuticals, Inc
Monongalia Board of Education
Monongalia General Hospital

Wal-Mart Stores, Inc.
WV University Medical Corporation (University Health Associates)
Gabriel Brothers, Inc.
Teletech Customer Care Management (WV) Inc.
The Kroger Company

Source: Workforce WV (March 2015)

Unemployment

The average annual percentage of unemployment rates is as follows:

Year	City of Morgantown	Monongalia County	West Virginia	United States
2006	3.6	3.2	4.5	4.4
2007	3.2	2.9	4.2	5.0
2008	3.4	2.7	4.3	7.3
2009	6.8	4.4	7.9	9.9
2010	6.1	5.5	9.1	9.3
2011	5.7	5.0	7.4	8.5
2012	5.4	4.8	7.3	7.9
2013	4.6	4.0	6.7	6.7
2014	3.7	3.7	5.9	5.6
2015	5.7	3.8	6.2	5.0
August 2016	4.7	4.5	5.7	4.9

Source: Workforce WV, U.S. Bureau of Labor Statistics

Taxes

Local Property Tax (2015 Tax Year): Rate on each $100 valuation. Valuation based on 60 percent of assessed valuation.

	Class I	Class II	Class III & IV
County	.5055	1.0110	2.0220
Morgantown	.6305	1.2610	2.5220

Source: West Virginia Auditor

Class III & IV: All other assets not in Class II -- most notably commercial and industrial property.

Municipal Business & Occupation Tax:
Charged to businesses located within the municipal boundaries of Morgantown, Westover, and Star City. The tax rates vary according to the type of business and the taxes are based on one hundred dollars of gross income. Contact the municipal B&O tax clerk for more specific information.

State Sales Tax:
6 percent.

Local Income Tax:
There is no local or county income tax.

State Income Tax: All taxpayers except married filing separate returns:

Taxable Income		Tax Liability		
Over	But Not Over		Plus	Of Excess Over
$0	$10,000	$0	3.0%	$0
10,000	25,000	300.00	4.0%	10,000

25,000	40,000	900.00	4.0%	25,000
40,000	60,000	1,575.00	6.0%	40,000
60,000		2,775.00	6.5%	60,000

Business Taxes: The state of West Virginia presently imposes two primary business taxes: the Corporate Net Income Tax and the Business Franchise Tax. The Corporation Net Income Tax rate is 8.5 percent of the federal taxable income of the corporation for the year. The Corporation Net Income Tax is being reduced in 2012 to 7.75 percent, in 2013 to 7 percent and in 2014 to 6.5 percent. The measure of the Business Franchise Tax is the net worth of the corporation or partnership as determined for federal income tax purposes. The tax is levied at the rate of 0.27 percent or $50, whichever is greater. The Business Franchise Tax is being phased out each year for the next three years. Three additional taxes are levied upon specialized industries. A Severance Tax is imposed on the production of natural resources. The Business and Occupation Tax, a gross receipts levy, is imposed upon public utilities and electric power producers.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE MORGANTOWN UTILITY BOARD

FOR FISCAL YEAR ENDED JUNE 30, 2016

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix has been obtained from sources that the Issuer, the Morgantown Utility Board and the Underwriters believe to be reliable, but none of the Issuer, the Morgantown Utility Board or the Underwriters takes any responsibility for the accuracy thereof.

The Depository Trust Company

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2016 A Bonds. The Series 2016 A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2016 A Bond certificate will be issued for each maturity of the Series 2016 A Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Series 2016 A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016 A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2016 A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016 A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2016 A Bonds, except in the event that use of the book-entry system for the Series 2016 A Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2016 A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2016 A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016 A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2016 A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2016 A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016 A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2016 A Bonds documents. For example, Beneficial Owners of Series 2016

A Bonds may wish to ascertain that the nominee holding the Series 2016 A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2016 A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2016 A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2016 A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Series 2016 A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and detail information from the Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Series 2016 A Bonds purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Series 2016 A Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2016 A Bonds, on DTC's records, to Tender/Remarketing Agent. The requirement for physical delivery of Series 2016 A Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2016 A Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Series 2016 A Bonds at any time by giving reasonable notice to the Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2016 A Bonds certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2016 A Bonds certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

APPENDIX D

PROPOSED FORM OF BOND COUNSEL OPINION

[LETTERHEAD OF STEPTOE & JOHNSON PLLC]

(Form of Bond Counsel Opinion)

December ___, 2016

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2016 A

The City of Morgantown
Morgantown, West Virginia

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the authorization, issuance, sale, and the initial delivery on the date hereof, by The City of Morgantown, West Virginia (the "Issuer") of its $_____ aggregate principal amount of Combined Utility System Revenue Bonds, Series 2016 A (the "Series 2016 A Bonds").

The Series 2016 A 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 20 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on February 2, 2016, as supplemented by a Supplemental Parameters Resolution duly adopted by the Issuer on November 1, 2016 and a Certificate of Determinations executed by the Mayor on November ___, 2016 (collectively, the "Ordinance"), and are subject to all the terms and conditions of the Ordinance. All capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Ordinance.

The Series 2016 A Bonds are issued in fully registered form, are dated December ___, 2016, mature on December 1 in the years and amounts and bear interest payable each June 1 and December 1 commencing June 1, 2017, all as set forth in the Ordinance.

The Ordinance provides that the Series 2016 A Bonds are issued for the purpose of: (i) financing, along with the proceeds of the Issuer's Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program) and Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green) issued contemporaneously herewith (collectively, the "Series 2016 B Bonds") and monies of the Combined Utility System available therefore, the costs of the design, acquisition, construction and equipping of certain additions, betterments and improvements to the existing sanitary sewerage treatment and collection portion of the Combined Utility System of the City; (ii) funding the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Series 2016 A Reserve Policy") from _____ ("_____" or the "Bond Insurer"); [and] (iii) [paying the premium for a municipal bond insurance policy (the "Series 2016 B Insurance Policy") from the Bond Insurer; and (iv)] paying costs of issuance of the Series 2016 B Bonds and related costs.

The Series 2016 A Bonds have been sold to _____ (the "Original Purchasers"), pursuant to a Bond Purchase Agreement dated November ___, 2016 (the "Bond Purchase Agreement"), accepted by the Issuer.

In connection with our engagement as Bond Counsel, we have examined the law and such documents and matters as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Original Purchaser and other entities contained in the Ordinance, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation and have relied upon, and have assumed, due compliance with the provisions of, the proceedings and other documents.

Based upon the foregoing, and assuming compliance with the covenants and representations of the Issuer and others set forth in the Ordinance, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate and such certifications, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing municipal corporation and political subdivision under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt and enact the Ordinance, enter into the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2016 A Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted and enacted the Ordinance; has authorized, executed and delivered the Bond Purchase Agreement, the Continuing Disclosure Agreement, and the Tax Certificate; has authorized the distribution of the Official Statement in connection with the marketing and sale of the Series 2016 A Bonds; and has issued and delivered the Series 2016 A Bonds to the Original Purchaser pursuant to the Bond Purchase Agreement. The Ordinance is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto (where applicable), the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms.

4. The Series 2016 A Bonds have been duly authorized, executed and delivered by the Issuer and, assuming proper authentication, constitute valid and legally enforceable special limited obligations of the Issuer, payable from, and secured by a lien on, the Gross Revenues of the System, on a parity with the Series 2016 B Bonds and the Prior Bonds, as defined in the Ordinance, and from the unexpended proceeds of the Series 2016 A Bonds. The Series 2016 A Bonds are enforceable in accordance with their terms and the terms of the Ordinance, and are entitled to the benefits of the Ordinance and the Act.

5. We have examined the executed and authenticated Series 2016 A Bonds of said issue, and in our opinion, said Series 2016 A Bonds are in proper form and have been duly executed and authenticated.

6. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2016 A Bonds is excluded from the gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations; *provided, that* the interest on the Series 2016 A Bonds is taken into account as an adjustment to current earnings when computing the federal alternative minimum tax on certain corporations. Ownership of tax-exempt obligations, including the Series 2016 A Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued

indebtedness to purchase or carry such obligations. We offer no opinion as to such collateral tax consequences or any other federal tax consequences arising with respect to the Series 2016 A Bonds. Prospective purchasers of the Series 2016 A Bonds should consult their own tax advisors as to such consequences.

The opinions set forth in this paragraph 6 are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the *"Code"*) that must be satisfied in order for interest on the Series 2016 A Bonds to be or continue to be excludable from gross income for federal income tax purposes and with all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Series 2016 A Bonds set forth in the Ordinance, the Bond Purchase Agreement, the Tax Certificate and the certifications of the Issuer and others. Failure to comply with such Code provisions or such certifications, covenants and representations could cause the interest on the Series 2016 A Bonds to be includable in gross income retroactive to the date of issuance of the Series 2016 A Bonds.

7. Under the Act, the Series 2016 A Bonds and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

8. The Series 2016 A Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2016 A Bonds, to register any securities under said Securities Acts.

It is to be understood that the rights of the holders of the Series 2016 A Bonds and the enforceability of the Series 2016 A Bonds, the Ordinance, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate, and the liens, pledges, rights or remedies with respect thereto, are subject to and may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We do not express any opinion as to the sufficiency or accuracy of the material, information or financial statements which are set forth in the Official Statement prepared and used in connection with the offering and sale of the Series 2016 A Bonds.

The opinions expressed in this letter are based upon the law in effect on the date hereof, and may be affected by actions taken or omitted or events occurring after the date hereof, including subsequent interpretations of the applicable law by competent judicial, regulatory and administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof. We assume no obligation to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise, or to determine or to inform any person whether any such actions are taken or omitted or any such events occur.

This opinion is intended solely for the benefit of the addressees and may not be relied upon by any other person or entity without, in each such case, our express written consent.

Very truly yours,

STEPTOE & JOHNSON PLLC

The City of Morgantown

Combined Utility System Revenue Bonds, Series 2016 B-1
(West Virginia SRF Program)
and
Combined Utility System Revenue Bonds, Series 2016 B-2
(West Virginia SRF Program/Green)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF TWO SERIES OF, AND RE-DESIGNATING, THE PREVIOUSLY AUTHORIZED COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 C-1 (WEST VIRGINIA SRF PROGRAM) AS COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM) AND COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-2 (WEST VIRGINIA SRF PROGRAM/GREEN); PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM) AND COMBINED UTILTIY SYSTEM REVENUE BONDS, SERIES 2016 B-2 (WEST VIRGINIA SRF PROGRAM/GREEN) OF THE CITY OF MORGANTOWN; APPROVING AND RATIFYING THE BOND PURCHASE AGREEMENTS RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; AUTHORIZING THE PURCHASE OF A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY FOR THE COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM) AND AMENDMENT AND/OR MODIFICATION OF THE ORDINANCE TO COMPLY THEREWITH; DESIGNATING A REGISTRAR AND PAYING AGENT; APPROVING A CONFORMED ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City Council (the "Governing Body") of The City of Morgantown (the "Issuer" or "Governmental Agency") has duly and officially adopted and enacted a bond ordinance, effective October 4, 2016 (as hereinafter amended, modified and conformed, the "Series 2016 B Bond Ordinance"), entitled:

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 $30,000,000 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, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Series 2016 B Bond Ordinance when used herein;

WHEREAS, the Issuer desires to amend and modify the Series 2016 B Bond Ordinance through this Supplemental Resolution (collectively with the Series 2016 B Bond Ordinance, the "Series 2016 B Bond Legislation");

WHEREAS, the Bond Ordinance provides for the issuance of the "Combined Utility System Revenue Bonds, Series 2016 C (West Virginia SRF Program)," in one or more series, in an aggregate principal amount not to exceed $30,000,000;

WHEREAS, since the initial introduction of the Series 2016 B Bond Ordinance to City Council, the City has received a commitment from the West Virginia Department of Environmental Protection (the "DEP") for a "forgivable" loan in the amount of $500,000, and a separate amortizing loan in the amount of $25,000,000, representing a substantial increase in the funding through DEP for the Project;

WHEREAS, in order to take advantage of the commitment from the DEP for the "forgivable" loan and the additional funding, the City desires, and does hereby, amend, modify and conform the Series 2016 B Bond Ordinance as originally enacted to provide for the issuance of two series of Bonds, designated "Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program)" (the "Series 2016 B-1 Bonds") and "Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green)" (the "Series 2016 B-2 Bonds" and, collectively with the Series 2016 B-1 Bonds, the "Series 2016 B Bonds") and to make other necessary amendments and modifications to the Series 2016 B Bond Ordinance as originally enacted as reflected in "EXHIBIT A" attached hereto and incorporated by reference;

WHEREAS, the Series 2016 B Bond Ordinance authorizes the execution and delivery of a Bond Purchase Agreement relating to the Series 2016 B-1 Bonds (the "Series 2016 B-1 Bond Purchase Agreement") and a Loan Agreement relating to the Series 2016 B-2 Bonds (the "Series 2016 B-2 Loan Agreement"), including all schedules and exhibits attached respectively thereto, each by and among the

Issuer, the West Virginia Water Development Authority (the "Authority") and the DEP (collectively, the "Bond Purchase Agreements"), all in accordance with Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and that other matters relating to the Series 2016 B Bonds be herein provided for;

WHEREAS, the Bond Purchase Agreements have been presented to the Issuer at this meeting;

WHEREAS, the Series 2016 B Bonds are proposed to be purchased by the Authority pursuant to the Bond Purchase Agreements;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Bond Purchase Agreements be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale prices of the Series 2016 B Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2016 B Bonds be herein provided for; and

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Series 2016 B Bond Ordinance;

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

Section 1. Pursuant to the Series 2016 B Bond Ordinance and the Act, this Supplemental Resolution is adopted and the Issuer hereby approves, adopts and ratifies the Series 2016 B Bond Ordinance, as amended, modified and conformed, attached hereto as Exhibit A.

Section 2. Pursuant to the Series 2016 B Bond Ordinance and the Act, the Issuer hereby approves the issuance of the previously authorized Combined Utility System Revenue Bonds, Series 2016 C (West Virginia SRF Program), in two separate series, hereby re-designated as "Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program)" and "Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green)" in an aggregate principal amount not to exceed $30,000,000.

Section 3. Pursuant to the Series 2016 B Bond Ordinance and the Act, there are hereby authorized and ordered to be issued the Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), of the Issuer, originally represented by a single bond, numbered BR-1, in the original aggregate principal amount of $25,000,000. The Series 2016 B-1 Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2046 and shall bear interest at an annual fixed rate of .75%. The principal of and interest on the Series 2016 B-1 Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2017 to and including September 1, 2046, and in the amounts as set forth in the "Schedule Y" attached to the Bond Purchase Agreement for the Series 2016 B-1 Bonds and incorporated in and made a part of the Series 2016 B-1 Bonds. The Series 2016 B-1 Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2016 B-1 Bonds. The Issuer does hereby approve and shall pay the annual SRF Administrative Fee equal to .25% as set forth in "Schedule Y" attached to the Bond Purchase Agreement.

Section 4. Pursuant to the Series 2016 B Bond Ordinance and the Act, there are hereby authorized and ordered to be issued the Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green), of the Issuer, originally represented by a single bond, numbered BR-2, in the original aggregate principal amount of $500,000. The Series 2016 B-2 Bonds shall be dated the date of delivery thereof and shall bear no interest. The principal amounts advanced under the Series 2016 B-2 Bonds will be deemed forgiven on the 30th day of June in the Fiscal Year in which advanced. The Series 2016 B-2 Bonds shall be deemed no longer Outstanding after the last advance of principal is forgiven. The Series 2016 B-2 Bonds are not subject to the SRF Administrative Fee.

Section 5. The Issuer does hereby authorize, approve, ratify and accept the Bond Purchase Agreements, copies of which are incorporated herein by reference, and the execution and delivery of the Bond Purchase Agreements by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Bond Purchase Agreements and in the applications to the DEP and the Authority. The prices of the Series 2016 B-1 Bonds and the Series 2016 B-2 Bonds shall each be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2016 B-1 Bonds and the Series 2016 B-2 Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 6. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2016 B Bonds under the Series 2016 B Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2016 B Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 7. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2016 B Bonds under the Bond Legislation.

Section 8. The General Manager of the Morgantown Utility Board ("MUB") is hereby authorized to designate the depository bank for the proceeds of the Series 2016 B Bonds.

Section 9. The Issuer hereby authorizes the use of a portion of the proceeds of the Series 2016 B-1 Bonds to purchase a Municipal Bond Debt Service Reserve Insurance Policy from either Assured Guaranty Municipal Corp. or Build American Mutual Assurance Company (the "Bond Insurer") to fund the Series 2016 B-1 Bonds Debt Service Reserve Fund. The Mayor is hereby authorized to select the Bond Insurer based on the competitive bids to be received, which selection shall be conclusively evidenced by the execution by the Mayor of a Certificate of Determinations substantially in the form attached hereto as EXHIBIT B. The terms, covenants and agreements of the Bond Insurer, specifically including, but not limited to, the Reimbursement Agreement, as set forth in Certificate of Determinations executed by the Mayor are hereby adopted, ratified and approved and are hereby ordered incorporated into the Series 2016 B Ordinance as if stated therein.

Section 10. The balance of the proceeds of the Series 2016 B-1 Bonds shall be deposited in or credited to the Series 2016 B Bonds Construction Trust Fund for payment of the Costs of the Project, including, without limitation, costs of issuance of the Series 2016 B-1 Bonds and related costs.

Section 11. The proceeds of the Series 2016 B-2 Bonds shall be deposited in or credited to the Series 2016 B Bonds Construction Trust Fund for payment of the Costs of the Project, including, without limitation, costs of issuance of the Series 2016 B-2 Bonds and related costs.

Section 12. The Mayor and the Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2016 B Bonds hereby and by the Bond Legislation approved and provided for, to the end that the Series 2016 B Bonds may be delivered on or about December 1, 2016, to the Authority pursuant to the Bond Purchase Agreements.

Section 13. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2016 B Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The General Manager and/or Assistant General Manager of the Morgantown Utility Board are authorized to review, approve, execute and submit any and all invoices, requisitions of proceeds and other document or forms required by DEP related to the Series 2016 B Bonds and the Project.

Section 15. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, design, acquisition, construction and construction of the Project.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 1st day of November, 2016.

THE CITY OF MORGANTOWN

_____

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Morgantown on the 1st day of November, 2016.

Dated: December 1, 2016.

[SEAL]

_____

City Clerk

627490.00049

EXHIBIT A – SERIES 2016 B SUPPLEMENTAL PARAMETERS RESOLUTION

CONFORMED SERIES 2016 B BOND ORDINANCE

EXHIBIT B - SERIES 2016 B SUPPLMENTAL PARAMETERS RESOLUTION

FORM OF SERIES 2016 B-1 CERTIFICATE OF DETERMINATIONS

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2016 B-1

CERTIFICATE OF DETERMINATIONS

The undersigned, _____, Mayor of The City of Morgantown (the "Issuer"), in accordance with the Series 2016 B Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on November 1, 2016 (the "Series 2016 B Supplemental Parameters Resolution"), with respect to the Issuer's Combined Utility System Revenue Bonds, Series 2016 B (the "Series 2016 B Bonds"), hereby finds and determines this ____ day of November, 2016, as follows:

1. [The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by _____ ("_____") to fund the Series 2016 A Bonds Reserve Account will result in a cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Debt Service Reserve Insurance Policy, and accordingly accepts the Municipal Bond Debt Service Reserve Insurance Commitment (the "Series 2016 B-1 Reserve Commitment") dated _____, 2016. The Mayor is hereby authorized to execute the Reserve Commitment and deliver the same to _____.]

2. [Pursuant to the Series 2016 B-1 Reserve Commitment, and, as permitted by Section 9 of the Series 2016 B Supplemental Parameters Resolution, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2016 B-1 Bonds Reserve Account are attached hereto as Appendix A and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Ordinance and applicable to the Series 2016 B-1 Bonds.]

WITNESS my signature the day and year first written above.

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

627490.00049

APPENDIX A – SERIES 2016 B-1 CERTIFICATE OF DETERMINATIONS

PROVISIONS RELATING TO MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

Municipal Bond Debt Service Reserve Insurance Commitment

[insert]

RESOLUTION NO. 16- _____

A RESOLUTION AUTHORIZING A GRANT AGREEMENT WITH THE DIVISION OF JUSTICE AND COMMUNITY SERVICES FOR THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION GRANT PROGRAM

BE IT RESOLVED by the City of Morgantown that the City Manager or his designee is authorized to execute the attached Grant Agreement, together with any additional documents referenced therein, which is incorporated in this Resolution by reference, providing for a Juvenile Justice and Delinquency Prevention grant award.

Adopted this ___ day of November, 2016.

_____
Marti Shamberger, Mayor
City of Morgantown

_____
Linda Tucker, Clerk
City of Morgantown

GRANT CONTRACT AGREEMENT

BETWEEN

DIVISION OF JUSTICE AND COMMUNITY SERVICES

AND

Morgantown Police Department

16-JJP-012

This **AGREEMENT**, entered into this **12th day of September, 2016** by the Director of the Division of Justice and Community Services, hereinafter referred to as "DJCS", and the **Morgantown Police Department**, hereinafter referred to as "Grantee."

WHEREAS, DJCS is the recipient of a Juvenile Justice and Delinquency Prevention grant from the United States Department of Justice and

WHEREAS, the Grantee is an eligible applicant who is desirous of receiving funds for: **These funds will be utilized to support the position of a Prevention Resource Officer (PRO) in Mountaineer Middle School**.

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. The Grantee agrees to comply with all applicable federal and state laws and rules, regulations and policies promulgated thereunder.

2. DJCS agrees to assist the Grantee to perform such tasks and functions as set forth in the application which is attached hereto and made part hereof, hereinafter referred to as Attachment A.

3. The Grantee shall do, perform, and carry out in a satisfactory and proper manner as determined by DJCS all duties, tasks and functions necessary to implement the application which is hereto attached as Attachment A.

4. The Grantee will commence its duties under the Agreement on **July 1, 2016**, and shall continue those services/activities until **June 30, 2017**. The terms of this Agreement may only be extended or modified by the mutual written agreement of the parties hereto.

5. In consideration of the services rendered by the Grantee, the sum of up to **$20000.00** all be obligated by DJCS and said amount shall be deemed to be the maximum compensation to be received for this Agreement unless a written modification is entered into between the parties amending this Agreement.

6. It is the understanding of all parties to this Agreement that DJCS by joining in the Agreement does not pledge, or promise to pledge, the credit of the State of West Virginia, nor does it promise to pay all of the compensation hereunder from monies of the Treasury of the State of West Virginia.

7. To be eligible for any and all payments of the grant amount, the Grantee shall submit a Request for Funds once per month to DJCS. Upon receipt of said request, DJCS shall review the same for reasonableness and appropriateness; and if approved, will cause a warrant to be requested on that sum considered reasonable and appropriate. It is expressly understood that the total compensation shall not exceed the amount set forth in Paragraph Five hereinbefore cited and said compensation will be expended only as outlined in the budget sections of Attachment A, unless written approval of modification of the budget is signed by the parties hereto. Grantee shall submit a fiscal report detailing expenditures to DJCS by the twentieth (20th) day of each month.

8. Grantee hereby represents that it possesses the legal authority to contract for this Agreement and that attached hereto and made a part hereof as Attachment B is a certified copy of the resolution, motion or similar action which was clearly adopted or passed by the Grantee's governing body; and further, that it has directed and authorized an official representative to act in connection with this Agreement. If the Grantee is a State agency, the completed application signed by the agency head is sufficient.

9. Grantee agrees to abide by the grant conditions, terms, assurances and certifications which are a part of Attachment A and such other special terms and conditions that DJCS has set forth in Attachment C which is incorporated herein and made part hereof, if said Special Conditions are appropriate to this Agreement.

10. If, through any cause, the Grantee shall fail to fulfill in a necessary and proper manner, obligations under this Agreement, the DJCS may withhold payments to the Grantee upon notice in writing, suspend, or cancel this Agreement and Attachments. The notice of withholding payments, suspension, or cancellation should set forth the DJCS reasons for taking said action.

11. DJCS and Grantee may from time to time require changes in the scope of services performed hereunder. Grantee agrees to submit a written request for modification prior to changing any budget line item. All such changes, including any increase or decrease in the amount of compensation hereunder or work to be performed, which are mutually agreed upon between the parties shall be in writing.

12. If for any reason funds received by DJCS are suspended or terminated, in whole or in part, funding for this Agreement shall cease.

13. Grantee shall within the time period prescribed by grant conditions upon the termination of the Agreement, submit to DJCS a final report on forms provided by DJCS. Said reports shall reflect actual costs incurred during the terms of this Agreement.

14. The parties hereto agree that notice shall be given by personal service or served when mailed certified U.S. Mail, postage prepaid, return receipt requested to the following addresses:

    a. Division of Justice and Community Services
    1124 Smith Street, Suite 3100
    Charleston, West Virginia 25301-1323

    b. **Grantee Mailing Address:**

    Morgantown Police Department
    300 Spruce Street
    Morgantown, West Virginia 26505

15. The Grantee shall hold and save DJCS and its officers, agents and employees harmless from liability of any nature, including cost and expense, for or on account of any suits or damages of any character whatsoever resulting from injuries or damages sustained by any persons or property resulting in whole or in part from the negligent performance or omission of any employee, agent or representative of the Grantee.

IN WITNESS WHEREOF, the parties hereto attach their signatures representing that each is acting with full authority.

_____

Jeff Mikorski, City Manager
Morgantown Police Department

_____

W. Richard Staton, Director
Division of Justice and Community Services

RESOLUTION

The **City Council of Morgantown** met on _____ (date) with a quorum present and passed the following resolution.

Be it resolved that the **City Council of Morgantown** hereby authorizes **Jeff Mikorski, City Manager** of the **Morgantown Police Department**, to act on its behalf to enter into a contractual agreement with the Division of Justice and Community Services to receive and administer grant funds pursuant to provisions of the Juvenile Justice and Delinquency Prevention grant program.

Signed: _____

Council Clerk

RESOLUTION

The City of Morgantown met on November 1, 2016 with a quorum present and passed the following resolution:

Be It Resolved that the City of Morgantown *hereby authorizes its Interim City Manager, Glen Kelly, to act on its behalf to enter a contractual agreement with the Division of Justice and Community Services, to receive and administer grant funds for the support of a Prevention Resource Officer (PRO) at Mountaineer Middle School.*

_____

MAYOR

_____

CITY CLERK

GRANT CONTRACT AGREEMENT

BETWEEN

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AND

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16-JJP-012

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NOW, THEREFORE, the parties hereto mutually agree as follows:

1. The Grantee agrees to comply with all applicable federal and state laws and rules, regulations and policies promulgated thereunder.

2. DJCS agrees to assist the Grantee to perform such tasks and functions as set forth in the application which is attached hereto and made part hereof, hereinafter referred to as Attachment A.

3. The Grantee shall do, perform, and carry out in a satisfactory and proper manner as determined by DJCS all duties, tasks and functions necessary to implement the application which is hereto attached as Attachment A.

4. The Grantee will commence its duties under the Agreement on **July 1, 2016**, and shall continue those services/activities until **June 30, 2017**. The terms of this Agreement may only be extended or modified by the mutual written agreement of the parties hereto.

5. In consideration of the services rendered by the Grantee, the sum of up to **$20000.00** all be obligated by DJCS and said amount shall be deemed to be the maximum compensation to be received for this Agreement unless a written modification is entered into between the parties amending this Agreement.

6. It is the understanding of all parties to this Agreement that DJCS by joining in the Agreement does not pledge, or promise to pledge, the credit of the State of West Virginia, nor does it promise to pay all of the compensation hereunder from monies of the Treasury of the State of West Virginia.

7. To be eligible for any and all payments of the grant amount, the Grantee shall submit a Request for Funds once per month to DJCS. Upon receipt of said request, DJCS shall review the same for reasonableness and appropriateness; and if approved, will cause a warrant to be requested on that sum considered reasonable and appropriate. It is expressly understood that the total compensation shall not exceed the amount set forth in Paragraph Five hereinbefore cited and said compensation will be expended only as outlined in the budget sections of Attachment A, unless written approval of modification of the budget is signed by the parties hereto. Grantee shall submit a fiscal report detailing expenditures to DJCS by the twentieth (20th) day of each month.

8. Grantee hereby represents that it possesses the legal authority to contract for this Agreement and that attached hereto and made a part hereof as Attachment B is a certified copy of the resolution, motion or similar action which was clearly adopted or passed by the Grantee's governing body; and further, that it has directed and authorized an official representative to act in connection with this Agreement. If the Grantee is a State agency, the completed application signed by the agency head is sufficient.

9. Grantee agrees to abide by the grant conditions, terms, assurances and certifications which are a part of Attachment A and such other special terms and conditions that DJCS has set forth in Attachment C which is incorporated herein and made part hereof, if said Special Conditions are appropriate to this Agreement.

10. If, through any cause, the Grantee shall fail to fulfill in a necessary and proper manner, obligations under this Agreement, the DJCS may withhold payments to the Grantee upon notice in writing, suspend, or cancel this Agreement and Attachments. The notice of withholding payments, suspension, or cancellation should set forth the DJCS reasons for taking said action.

11. DJCS and Grantee may from time to time require changes in the scope of services performed hereunder. Grantee agrees to submit a written request for modification prior to changing any budget line item. All such changes, including any increase or decrease in the amount of compensation hereunder or work to be performed, which are mutually agreed upon between the parties shall be in writing.

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