The City of Morgantown

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Office of the City Clerk

AGENDA
MORGANTOWN CITY COUNCIL
COMMITTEE OF THE WHOLE
November 29, 2016
7:00 p.m.

NOTE: Committee of the Whole Meetings of the Morgantown City Council are intended to provide an opportunity for the Council to receive information, ask questions, and identify policy options in an informal setting. No official action is taken at these meetings. At this Committee of the Whole Meeting the following matters are scheduled:

PRESENTATIONS:

1. **Downtown Lights – Damien Davis-Travis Henline**
2. **Bond documents for the Dam/Reservoir Project-Tim Ball**
3. **Pipeline rights of way for Raw Water Pipeline and Poponoe Run-Tim Ball**
4. **Airport Hangars & Development**
5. **Falling Run TIF – John Martys**
6. **Ward & Boundary Report – Roy Nutter-Roger Banks-Jo Vaughn-Damien Davis**
7. **Brownfields Petroleum Grant-Dave Bott-Lafe Kunkel-Patrick Kirby**
8. **Habitat for Humanity-Shawnda Cook**

PUBLIC PORTION:

ITEMS FOR DISCUSSION:

1. **Downtown Lights**
2. **Sidewalk Marketing & Dining**
3. **Bond documents for the Dam/Reservoir Project**
4. **Pipeline rights of way for Raw Water Pipeline and Poponoe**
5. **Airport Hangars & Development**
6. **Falling Run TIF**
7. **Ward & Boundary Report**
8. **Brownfields Petroleum Grant**
9. **Habitat for Humanity**

If you need an accommodation contact us at 284-7439

MEMORANDUM

TO: City Council
Glen Kelly, Interim City Manager

FROM: Timothy L. Ball, General Manager, MUB

DATE: November 21, 2016

SUBJECT: **Update on WWTP Bond Issue, and**
Preview of Funding for Dam/Reservoir and related projects
Rights of Way Related to the Above

This memo is a read ahead resource for the meeting of the Committee of the Whole to be held on November 29.

Update on WWTP Bond Issue:

We have now successfully sold the bonds for the Wastewater Treatment Plant (WWTP) project. The terms of the bonds fit within the funding provided by the new sewer rates which went into effect on July 1. Formal bond closing to document the sale is scheduled for November 30. Construction will begin on paper on December 1, with activity in the field beginning 4-8 weeks later.

Preview of Funding on Water System Improvements

Bids for the proposed dam/reservoir, raw water pipeline, and auxiliary power generator were received on November 16. The bids significantly exceed the project budget, and, combined with a recent increase in interest rates, will cause us to re-configure the funding plan for the bonds to finance these improvements.

We are currently reviewing the project designs to identify possible cost reductions. The dam and reservoir will be built. It is likely that the auxiliary power generator will be removed from the project list. We are trying to keep the raw water pipeline, but it is too early to say whether (or how much of) it can be afforded. These reviews remain underway.

Similarly, we are reviewing the funding plan for the Series 2017 Bonds that will finance these improvements. It is likely (but not yet certain) that one or more new bond ordinances may be required in order to allow additional flexibility in the project funding. In order to preserve maximum flexibility in revising the funding plan, we request that you allow the following items to be brought to the formal agenda of Council as follows:

> Supplemental Resolution – for the existing bond ordinance. To be brought to Council for a single reading on December 20, in the event that we determine a funding scope/plan that fits within the terms of the existing/previously approved bond ordinance (35 years and $40 million maximum).
>
> Draft Bond Ordinance – for a new bond ordinance that will replace the existing/previously approved bond ordinance. The new ordinance will allow a term of up to 40 years, and a

maximum amount of $50 million. This would be brought to Council for the first (of three) readings on either December 6 or December 20.

Draft Bond Ordinance – for a new bond ordinance that will parallel the existing bond ordinance, or its replacement. The new ordinance will allow a loan from the WV IJDC, with terms of up to 40 years, and a maximum amount of $10 million. This would be brought to Council for the first (of three) readings on either December 6 or December 20.

We would normally slow down to determine the exact sequence of ordinances that are necessary, then deliberately pursue only those. But in order to keep these critical water system improvements on schedule without further delay, we ask Council to accommodate this less certain approach. If at any time, we find that either of the new bond ordinances or the supplemental resolution is not needed, we will simply notify you that its subsequent reading(s) is (are) not necessary, and it can expire without further approval.

The MUB Board has directed me that the revised funding plan for the water system improvements should be devised to stay within the funding provided by the new water rates which went into effect on July 1, so that a further rate increase will not be necessary. We will of course, do everything possible to meet that goal. We request your consideration of the above in that context.

The schedule described above is necessary so that the subject bonds may be sold in late January or early February.

Rights of Way for Water and Sewer Improvements

We provide for your consideration a total of six rights of way which are necessary for the proposed improvements. Three of them are in the Krepps Park area, and are related to the proposed Poponoe Run Sewer Interceptor. The other three are in the area of the City Garage and Ice Rink at Mississippi Street, and are for the proposed Raw Water Pipeline. We respectfully request that the City grant these rights of way (which are located within City properties) to MUB, with readings/approvals on December 6 and December 20.

In closing, MUB appreciates the City Council's support of these critical projects. We look forward to beginning their construction later this year, and we are working diligently and urgently toward that goal.

If you have any questions, please feel free to contact me.

The City of Morgantown

Combined Utility System Revenue Bonds, Series 2017 A

SUPPLEMENTAL PARAMETERS RESOLUTION

SUPPLEMENTAL RESOLUTION RE-DESIGNATING THE PREVIOUSLY AUTHORIZED COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 D (TAX EXEMPT) AS COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 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 2017 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, 2016, 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 $40,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 D (TAX EXEMPT); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND

PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS

WHEREAS, 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 D (Tax-Exempt) in an aggregate principal amount not to exceed $40,000,000, 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 2017 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 2017 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 2017 A Ordinance."

WHEREAS, the Series 2017 A Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2017 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 2017 A Bonds be provided for therein, and as may be required by any Bond Insurer as a condition to insuring such Series 2017 A Bonds and/or providing a Municipal Bond Debt Service Reserve Insurance Policy for such Series 2017 A Bonds and that other matters pertaining to the Series 2017 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 2017 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 2017 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 2017 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 2017 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 2017 A Bonds be herein provided for all in accordance with the Series 2017 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 D (Tax Exempt)," are hereby re-designated as "Combined Utility System Revenue Bonds, Series 2017 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 2017 A Bonds 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 2017 A Bonds and related costs, the Governing Body of the Issuer hereby authorizes and orders the issuance of the Series 2017 A Bonds in an aggregate principal amount not to exceed $40,000,000.

SECTION 2 Pursuant to the Series 2017 A Ordinance and the Act, this Series 2017 A Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2017 A Bonds. The Series 2017 A Bonds shall be issued in the aggregate principal amount not to exceed $40,000,000, bear interest at a rate not to exceed 7.0%, payable semiannually, shall mature no later than thirty-five (35) years from the date of issuance, 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 2017 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 2017 A Certificate of Determinations"). The Series 2017 A Bonds shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2017 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 2017 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 2017 A Ordinance

SECTION 5. A. The Tax and Non-Arbitrage Certificate, to be dated the date of execution and delivery of the Bonds (the "Tax Certificate"), and executed and delivered by the Issuer, 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 2017 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 2017 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 2017 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 2017 A Bonds The Issuer hereby appoints and designates Digital Assurance Certification, LLC, as dissemination agent for the Series 2017 A Bonds

SECTION 12 The Issuer hereby appoints and designates United Bank, Inc., Charleston, West Virginia, as the Registrar for the Series 2017 A Bonds. The General Manager of MUB is hereby

authorized to designate the depository bank for, and direct the investment of, the proceeds of the Series 2017 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, all or any portion of the Series 2017 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 2017 A Bonds. These additional covenants and provisions shall be set forth in the Series 2017 A Certificate of Determinations, shall apply to the Series 2017 A Bonds, and shall be supplemental to, and amendatory of, the Ordinance and this Series 2017 A Supplemental Parameters Resolution, and shall be controlling in the event any other provisions of the Series 2017 A Ordinance and/or this Series 2017 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 2017 A Bonds Debt Service Reserve Fund for the Series 2017 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 2017 A Bonds Debt Service Reserve Fund These additional covenants and provisions shall be set forth in the Series 2017 A Certificate of Determinations, shall apply to the Series 2017 A Bonds, and shall be supplemental to, and amendatory of, the Series 2017 A Ordinance and this Series 2017 A Supplemental Parameters Resolution, and shall be controlling in the event any other provisions of the Series 2017 A Ordinance and this Series 2017 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 2017 A Bonds, to the end that the Series 2017 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, Florida 32801-1674

SECTION 17 The financing of a portion of the Costs of the Project with the Proceeds of the Series 2017 A Bonds and issuance of the Series 2017 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 2017 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 2017 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 2017 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 2017 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 2017 A Supplemental Parameters Resolution shall be effective immediately following adoption hereof.

Adopted this ___ day of December, 2016.

THE CITY OF MORGANTOWN

By: _____

Its: Mayor

[SEAL]

Attest:

_____

City Clerk

CERTIFICATION

Certified a true copy of a Series 2017 A Supplemental Parameters Resolution duly adopted by the Council of THE CITY OF MORGANTOWN on December __, 2016, which Series 2017 A Supplemental Parameters Resolution has not been repealed, rescinded, modified, amended or revoked, as of the date hereof

Dated: January __, 2017

By _____
City Clerk

627490 00055

EXHIBIT A – SERIES 2017 A SUPPLEMENTAL PARAMETERS RESOLUTION

CONFORMED ORDINANCE

See Tab 1

THE CITY OF MORGANTOWN, WEST VIRGINIA

CONFORMED ORDINANCE

AN ORDINANCE AUTHORIZING THE DESIGN ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE POTABLE WATER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $40,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, The City of Morgantown (the "Issuer" or the "City") presently owns and operates, through The City of Morgantown Utility Board (the "Board"), a public combined waterworks, sanitary sewerage and stormwater system (collectively, the "Combined Utility System," as hereinafter further described) and has heretofore financed the design, acquisition, construction and equipping 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 design, acquire, construct and operate extensions, additions, betterments and improvements for the Combined Utility System;

WHEREAS, the Issuer has determined the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the raw water supply and storage, water treatment, treated water storage and distribution system for potable water (the "Potable Water System"), specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir, and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements of certain water treatment plant assets, distribution lines, pump stations and storage tanks, and all necessary appurtenances, as determined by the

Board (collectively, the "Project"), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined to finance all or a portion of the costs of the Project through the issuance of its The City of Morgantown, Combined Utility System Revenue Bonds, Series 2017 A, in the aggregate principal amount of not more than $40,000,000 (the "Series 2017 A Bonds"),

WHEREAS, the Issuer has determined to enact this Ordinance to authorize the issuance of the Series 2017 A Bonds (the "Series 2017 A Ordinance"), such Series 2017 A Bonds to have such security and such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, Series 2017 A Bonds will be issued on a parity with the Prior Bonds and any Additional Parity Bonds (as hereinafter defined) with respect to their lien on and security interest in the Gross Revenues of the Combined Utility System, and the Series 2017 A Bonds shall contain such other terms and provisions as are hereinafter provided, all in the manner set forth herein, and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City that its Series 2017 A Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, hereinafter defined;

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

ARTICLE I
DEFINITIONS, STATUTORY AUTHORITY, FINDINGS

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

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2017 A Bonds.

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

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

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

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

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

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

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2017 A Bonds, shall initially mean the bond insurer, if any, named in the Supplemental Resolution

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Series 2017 A Bonds

"Bond Year" means with respect to each series of Series 2017 A Bonds the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date

"Bonds" means, collectively, the Series 2017 A Bonds, the Prior Bonds and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2017 A Bonds in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS," attached hereto.

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

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

"City Manager" means the City Manager of the Issuer

"Closing Date" means the date upon which there is an exchange of the Series 2017 A Bonds for the proceeds representing the original purchase price thereof.

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

"Combined Utility System" means, collectively, the Potable Water System, the Sewer System and the Stormwater System of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, betterments and improvements hereafter acquired,

constructed and/or equipped for the Potable Water System, the Sewer System or the Stormwater System, both within, and outside of, the Issuer's corporate boundaries

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

"Consulting Engineers" means any independent licensed Professional Engineer or Engineers or firm or firms of Licensed Professional Engineers, that shall at any time now or hereafter be retained by the Board as Consulting Engineers for the Combined Utility System, or any portion thereof

"Costs," "Costs of the Project" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation those costs set forth in Section 1 02C

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

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

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

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

"DTC-eligible" means, with respect to the Series 2017 A Bonds, meeting the qualifications prescribed by DTC.

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

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

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

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the 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).

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code

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

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by any Bond Insurer simultaneously with the delivery of the Series 2017 A Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2017 A Bonds, in accordance with the terms thereof

"Municipal Bond Debt Service Reserve Insurance Policy" means a municipal bond debt service reserve policy, and may subsequently mean, a letter of credit, initially, surety bond or other financial instrument

"Net Proceeds" means the face amount of the Series 2017 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and less proceeds deposited in the Series 2017 A Bonds Reserve Account, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2017 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations

"Net Revenues" means Gross Revenues less Operating Expenses (hereinafter defined)

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2017 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 2017 A Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance 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 Combined Utility System, fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles, provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds,

charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods

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

"Original Purchaser" means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2017 A Bonds directly from the Issuer, as determined by a resolution supplemental hereto

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

"Paying Agent" means, initially, the West Virginia Municipal Bond Commission and any other paying agent for the Series 2017 A Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"Potable Water System" means, collectively the potable water production and distribution facilities of the Combined Utility System, which specifically includes, but is not limited to, the Issuer's raw water supply, storage and transmission, water treatment, and treated water storage and distribution, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further additions, betterments and improvements thereto hereafter acquired, constructed and/or equipped for the Potable Water System both within, and outside of, the Issuer's corporate boundaries

"Prior Bonds" means, collectively, the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2013 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 A Bonds and Series 2016 B-1 Bonds

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

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

"Project" means the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the Potable Water System, specifically including, but not limited to, the

design, acquisition, construction and equipping of a new water reservoir and any, all or none of the following depending on the availability of funds (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System, (ii) the design, acquisition, construction and equipping of a raw water transmission line from the new raw water reservoir to the water treatment plant, and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements, as determined by the Board, of certain water treatment plant assets, distribution lines, pump stations and storage tanks and all necessary appurtenances.

"Purchase Price" for the purpose of computation of the Yield of the Series 2017 A Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2017 A Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2017 A Bonds of each maturity is sold or, if the Series 2017 A Bonds are privately placed, the price paid by the first buyer of the Series 2017 A Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2017 A Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2017 A Bonds.

"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.

"Record Date" means the date or dates which shall be so stated in the Series 2017 A Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday

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

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2017 A Bonds, and any successor thereto appointed in accordance with Section 8 08 hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Series 2016 A Bonds" means the Combined Utility System Revenue Bonds, Series 2016 A, of the Issuer, dated December 1, 2016, issued in the aggregate principal amount of $69,755,000

"Series 2016 B-1 Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), of the Issuer, dated December 1, 2016, issued in the aggregate principal amount of $25,000,000.

"Series 2016 B-2 Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green), of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $500,000. Pursuant to the terms and conditions of the Series 2016 B-2 Bonds, the outstanding principal of the Series 2016 B-2 Bonds is forgiven by the holder thereof on the last day of the Fiscal Year in which such principal is advanced No repayment of any principal of the Series 2016 B-2 Bonds will occur and the Series 2016 B-s Bonds do not bear any interest. The Series 2016 B-2 Bonds are not secured by any lien on the Gross Revenues of the Combined Utility System

"Series 2017 A Bonds" means the Combined Utility System Revenue Bonds, Series 2017 A of the Issuer, authorized to be issued in the aggregate principal amount of not more than $40,000,000 pursuant to this Ordinance and the Supplemental Resolution

"Series 2017 A Bonds Construction Fund" means the Series 2017 A Bonds Construction Fund created by Section 4.01 hereof

"Series 2017 A Bonds Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof

"Series 2017 A Bonds Redemption Account" means the Redemption Account created in the Series 2017 A Bonds Sinking Fund by Section 4 02 hereof.

"Series 2017 A Bonds Reserve Account" means the Series 2017 A Bonds Reserve Account created in the Series 2017 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2017 A Bonds Sinking Fund" means the Series 2017 A Bonds Sinking Fund created by Section 4.02 hereof

"Series 2017 A Bonds Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2017 A Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2017 A Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2017 A Bonds.

"Sewer System" means, collectively, the sanitary sewerage collection and treatment facilities of the Combined Utility System which specifically includes, but is not limited to, collection lines, transmission mains, pump stations, man holes, and wastewater treatment plants, as presently existing in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereinafter acquired, constructed or equipped for the Sewer System, both within, and outside of, the Issuer's corporate boundaries

"State" means the State of West Virginia.

"Stormwater System" means, collectively, the stormwater management and conveyance facilities of the Combined Utility System which specifically includes, but is not limited to, pipe, culverts, channels and watercourses, as presently existing in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereinafter acquired, constructed, or equipped for the Stormwater System, both within, and outside of, the Issuer's corporate boundaries

"Supplemental Resolution" means, collectively, any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Supplemental Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Bond Insurer provisions (if any) and other terms of the Series 2017 A Bonds and authorizing the sale of the Series 2017 A Bonds to the Original Purchaser, provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2017 A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

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

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

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

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

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

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

Section 1 03 Findings. The Council hereby finds and determines as follows:

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

B. The Issuer presently owns and operates, through the Board, a public combined potable waterworks, sanitary sewerage, and stormwater Combined Utility System. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the potable water supply for all customers of the Combined Utility System, that there be acquired and constructed certain extensions, additions, betterments and improvements to the Potable Water System of the Combined Utility System, specifically the Project

C It is deemed necessary for the Issuer to issue its Combined Utility System Revenue Bonds, Series 2017 A, in the aggregate principal amount of not more than $40,000,000, to permanently finance all or a portion of the costs of design, acquisition, construction and equipping of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor, interest, if any, upon the Series 2017 A Bonds prior to and during acquisition, construction and/or equipping and for a period not exceeding 6 months after completion of acquisition, construction and equipping of the Project; amounts which may be deposited in the Series 2017 A Bonds Reserve Account; underwriter's discount, engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses; commitment fees; the premium for a Municipal Bond Insurance Policy; the premium for a Municipal Bond Debt Service Reserve Insurance Policy; letter of credit fees; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2017 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the design, acquisition, construction and equipping of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2017 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project

D. The period of usefulness of the Combined Utility System after completion of the Project is not less than 35 years

E. It is in the best interests of the Issuer that the Series 2017 A Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by Supplemental Resolution of the Issuer

F. There are or will be outstanding obligations of the Issuer which will rank on a parity with the Series 2017 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Prior Bonds and any hereinafter issued Additional Parity Bonds, as provided in this Ordinance

Prior to the issuance of the Series 2017 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds and the Series 2016 B-1 Bonds to the issuance of the Series 2017 A Bonds on a parity with the Series 1992 Bonds, Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds and the Series 2016 B-1 Bonds. The Series 2010 A Bonds, Series 2010 F Bonds, Series 2012 C Bonds, Series 2014 B Bonds and Series 2016 A Bonds do not require written consent from the holders thereof.

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

G. The Issuer intends to issue the Series 2017 A Bonds, and to pledge for payment thereof, the Gross Revenues of the Combined Utility System, on a parity with one another and on a parity with such pledge in favor of the Holders of the Prior Bonds and any hereinafter issued Additional Parity Bonds.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the Combined Utility System will be sufficient to provide for the repair, maintenance and operation of the Combined Utility System, to pay the principal of and interest on the Series 2017 A Bonds and the Prior Bonds as and when it becomes due and reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2017 A Bonds, and secure the Series 2017 A Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the Combined Utility System, the monies in the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, unexpended proceeds of the Series 2017 A Bonds and as further set forth herein

J. The Series 2017 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in "EXHIBIT A – FORM OF SERIES 2017

A BONDS" attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K All things necessary to make the Series 2017 A Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2017 A Bonds, will be timely done and duly performed

L. The enactment of this Ordinance, the execution and issuance of the Series 2017 A Bonds and the amendment, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected

M Prior to construction, the Issuer will have complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the Combined Utility System and issuance of the Series 2017 A Bonds including but not limited to Chapter 24, Article 2, Paragraph 11 (l)

Section 1.04 Ordinance Constitutes Contract In consideration of the acceptance of the Series 2017 A Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Series 2017 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2017 A Bond and any other Series 2017 A Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2 01 Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not more than $50,000,000, of which up to $40,000,000 will be obtained from the proceeds of the Series 2017 A Bonds

ARTICLE III
THE SERIES 2017 A BONDS

Section 3 01 Form and Payment of Bonds. No Series 2017 A Bond shall be issued pursuant to this Ordinance except as provided in this Article III Any Series 2017 A Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2017 A Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity All Series 2017 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2017 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 2017 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 2017 A Bonds shall be in default, Bonds issued in exchange for Series 2017 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 2017 A Bonds surrendered

The principal of, and the interest and premium, if any, on, the Series 2017 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent Interest on the Series 2017 A Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2017 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner

In the event any Series 2017 A Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Series 2017 A Bond in the principal amount of said 2017 A Bond then Outstanding

Section 3.02. Execution of the Series 2017 A Bonds The Series 2017 A Bonds shall be executed in the name of the Issuer by the Mayor, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature, provided, that all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2017 A Bonds shall cease to be such officer of the Issuer before the Series 2017 A Bonds so signed and sealed have been actually sold and delivered, such Series 2017 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2017 A Bonds had not ceased to hold such office. Any Series 2017 A Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Series 2017 A Bonds shall hold the proper office in the City, although at the date of such Series 2017 A Bonds such person may not have held such office or may not have been so authorized.

Section 3 03 Authentication and Registration. No Series 2017 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2017 A Bond, substantially in the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS" attached hereto and incorporated herein by reference with respect to the Series 2017 A Bonds, shall have been duly manually executed by the Registrar Any such manually executed Certificate of Authentication and Registration upon any such Series 2017 A Bond shall be conclusive evidence that such Series 2017 A Bond has been authenticated, registered and delivered under this Ordinance The Certificate of Authentication and Registration on any Series 2017 A Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2017 A Bonds issued hereunder.

Section 3 04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2017 A Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2017 A Bonds, in accepting any of said Series 2017 A Bonds, shall be conclusively deemed to have agreed that such Series 2017 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series

2017 A Bonds shall further be conclusively deemed to have agreed that said Series 2017 A Bonds shall be incontestable in the hands of a bona fide holder for value

So long as any of the Series 2017 A Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2017 A Bonds. The Series 2017 A Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative Upon transfer of a Series 2017 A Bond, there shall be issued at the option of the Holder of the Series 2017 A Bonds or the transferee another Series 2017 A Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Series 2017 A Bond and of the same series, interest rate and maturity of said transferred Series 2017 A Bond

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2017 A Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Series 2017 A Bonds, of the same maturity and interest rate, in any authorized denominations

In all cases in which the privilege of transferring or exchanging a Series 2017 A Bond is exercised, Series 2017 A Bonds shall be delivered in accordance with the provisions of this Ordinance All Series 2017 A Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2017 A Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2017 A Bonds, the Registrar may impose a service charge. For every such transfer or exchange of Series 2017 A Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange The Registrar shall not be obliged to make any such transfer or exchange of Series 2017 A Bonds that have been called for redemption

Section 3 05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2017 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Series 2017 A Bond of like series, maturity and principal amount as the Series 2017 A Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Series 2017 A Bond, or in lieu of and substitution for the Series 2017 A Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Series 2017 A Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership All Series 2017 A Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer If such Series 2017 A Bond shall have matured or be about to mature, instead of issuing a substitute Series 2017 A Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Series 2017 A Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Series 2017 A Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2017 A Bonds be at any time found by any one, and such duplicate Series 2017 A Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06 Term Bonds In the event Term Bonds are issued as part of the Series 2017 A Bonds pursuant to this Ordinance, the following provisions shall apply:

1 The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2017 A Bonds Redemption Account in accordance with Section 4.03 shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2017 A Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

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

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

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2017 A Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5 The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2017 A Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2017 A Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption Unless waived by any Holder of the Series 2017 A Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer and the registered owner of the Series 2017 A Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2017 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA

All official notices of redemption shall be dated and shall state

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all Outstanding Series 2017 A Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2017 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 2017 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 2017 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 2017 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is conditioned on, and 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 2017 A Bonds called for redemption of such fact and no holder of any Series 2017 A Bonds shall have any claim of any type, of law or inequity, against the Issue.

Official notice of redemption having been given as aforesaid, the Series 2017 A Bonds, or portions of the Series 2017 A Bonds so to be redeemed, shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall

default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2017 A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such Bond All Series 2017 A Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2017 A Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3 08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Series 2017 A Bond is registered as the owner of such Series 2017 A Bond for the purpose of receiving payment of the principal of, and interest on, such Series 2017 A Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Series 2017 A Bond is overdue

Section 3 09 Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form

Section 3.10. Series 2017 A Bonds For the purposes of paying all or a portion of the costs of the Project, capitalizing interest on the Series 2017 A Bonds, paying the premium for a Municipal Bond Insurance Policy, funding the Series 2017 A Bonds Reserve Account with proceeds of the Series 2017 A Bonds or paying the premium for a Municipal Bond Debt Service Reserve Insurance Policy, in an amount equal to the Series 2017 A Bonds Debt Service Reserve Requirement and paying costs in connection with the issuance of the Series 2017 A Bonds, or any or all such purposes, there shall be issued the Series 2017 A Bonds of the Issuer, in an aggregate principal amount of not more than $40,000,000. Said Series 2017 A Bonds shall be designated "Combined Utility System Revenue Bonds, Series 2017 A" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in the Supplemental Resolution, and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2017 A Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2017 A Bonds shall be numbered from AR-1 consecutively upward The Series 2017 A Bonds shall be dated; shall be in such aggregate principal amount (not to exceed $40,000,000); shall bear interest at such rate or rates, (not to exceed 8%), payable semiannually on such dates, shall mature on such dates (which may be annual or semi-annual) (not to exceed 35 years) and in such amounts, shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution

Section 3.11. Book Entry System for Series 2017 A Bonds. A The Series 2017 A Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2017 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2017 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO , as nominee of DTC, provided, that if DTC shall request that the Series 2017 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2017 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2017 A Bond or any other evidence of ownership of the Series 2017 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2017 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below

B. At or prior to settlement for the Series 2017 A Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter") Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C So long as the Series 2017 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2017 A Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of, or interest on, the Series 2017 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2017 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2017 A Bonds so redeemed, but DTC may retain such Series 2017 A Bonds and make an appropriate notation on the Series 2017 A Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2017 A Bonds of such maturity which have been redeemed

D The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2017 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2017 A Bonds, selecting the Series 2017 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2017 A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2017 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2017 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2017 A Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial

redemption of the Series 2017 A Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2017 A Bonds may be discontinued at any time if either (i) DTC determines to resign as securities depository for the Series 2017 A Bonds, or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2017 A Bonds In either of such events (unless in the case described in clause (iii) above, the Issuer appoints a successor securities depository), the Series 2017 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2017 A Bonds

Section 3.12. Delivery of Series 2017 A Bonds A The Issuer shall execute and deliver the Series 2017 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2017 A Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2017 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2017 A Bonds to DTC for the benefit of the Original Purchaser,

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

(4) The unqualified approving opinion upon the Series 2017 A Bonds by Bond Counsel; and

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

Section 3.13 Form of Series 2017 A Bonds The definitive Series 2017 A Bonds shall be in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS" attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2017 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2017 A Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14 Disposition of Proceeds of Series 2017 A Bonds Upon the issuance and delivery of the Series 2017 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2017 A Bonds from the date thereof to the date of delivery thereof, if any, shall be deposited in the Series 2017 A Bonds Sinking Fund and applied to payment of interest on the Series 2017 A Bonds at the first interest payment date.

2 If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2017 A Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer

3. An amount of the proceeds of the Series 2017 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2017 A Bonds Reserve Account; provided, that to the extent the Series 2017 A Bonds Reserve Requirement is satisfied in whole or in part from a Municipal Bond Debt Serve Reserve Insurance Policy, proceeds of the Series 2017 A Bonds shall be (i) paid to the Bond Insurer, via wire transfer, in an amount equal to the premium for the Municipal Bond Debt Service Reserve Insurance Policy and (ii) deposited in the Series 2017 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2017 A Bonds Reserve Requirement

4 The amount of Series 2017 A Bond proceeds which, together with other monies or securities deposited therein, shall be equal to the Costs of Issuance of the Series 2017 A Bonds shall be deposited with the Depository Bank in the Series 2017 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2017 A Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2017 A Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2017 A Bonds Construction Fund established in Section 4 01 hereof and applied to Costs of the Project. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2017 A Bonds from which such proceeds are derived

5. The balance of Series 2017 A Bonds proceeds, if any, shall be deposited in the Series 2017 A Bonds Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Series 2017 A Bonds Construction Fund. Disbursements from the Series 2017 A Bonds Construction Fund, except for payment of Costs of Issuance of the Series 2017 A Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Issuer, shall be made only for design, acquisition, construction and equipping of the Project, including all necessary engineering and other professional services relating thereto Pending such application, monies in the Series 2017 A Bonds Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the direction of the Board

ARTICLE IV
COMBINED UTILITY SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4 01 Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other (except as set forth in this Section 4.01), and used solely for the purposes provided herein·

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

(2) Depreciation Fund (established by the Prior Ordinances);

(3) Operation and Maintenance Fund (established by the Prior Ordinances),

(4) Series 2017 A Bonds Construction Fund, and

(5) Series 2017 A Bonds Cost of Issuance Fund.

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

(1) Series 1992 Bonds Sinking Fund (established by Prior Ordinances);

(2) Series 1992 Bonds Reserve Account established by Prior Ordinances);

(3) Series 1995 Bonds Sinking Fund (established by Prior Ordinances),

(4) Series 1995 Bonds Reserve Account established by Prior Ordinances),

(5) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);

(6) Series 2000 A Bonds Reserve Account established by Prior Ordinances),

(7) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances),

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

(9) Series 2001 A Bonds Sinking Fund (established by Prior Ordinances);

(10) Series 2001 A Bonds Reserve Account established by Prior Ordinances);

(11) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances),

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

(13) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances),

(14) Series 2007 A Bonds Reserve Account established by Prior Ordinances),

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

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

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

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

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

(20) Series 2010 D Bonds Reserve Account (established by Prior Ordinances),

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

(22) Series 2010 E Bonds Reserve Account (established by Prior Ordinances),

(23) Series 2010 F Bonds Sinking Fund (established by Prior Ordinances),

(24) Series 2010 F Bonds Reserve Account (established by Prior Ordinances),

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

(26) Series 2012 A Bonds Reserve Account (established by Prior Ordinances),

(27) Series 2012 C Bonds Sinking Fund (established by Prior Ordinances),

(28) Series 2012 C Bonds Reserve Account (established by Prior Ordinances),

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

(30) Series 2013 A Bonds Reserve Account (established by Prior Ordinances),

(31) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances),

(32) Series 2014 B Bonds Reserve Account (established by Prior Ordinances),

(33) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances),

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

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

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

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

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

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

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

(41) Series 2015 E Bonds Sinking Fund (established by Prior Ordinances),

(42) Series 2015 E Bonds Reserve Account (established by Prior Ordinances),

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

(44) Series 2016 A Bonds Reserve Account (established by Prior Ordinances),

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

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

(47) Series 2017 A Bonds Sinking Fund; and

(48) Series 2017 A Bonds Reserve Account

Section 4.03 Combined Utility System Revenues and Application Thereof. So long as any of the Series 2017 A Bonds shall be Outstanding and unpaid, the Issuer covenants as follows.

A 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 held by the Board and kept separate and distinct from all other funds of the Issuer, the Board and the Depository Bank and used only for the purposes and in the manner herein provided All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to for payment of interest on the Series 1995 Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2016 A Bonds and Series 2016 B-1 Bonds, and (ii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2017 A Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2017 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2017 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 2017 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2017 A Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Sinking Funds for the Prior Bonds for the payment of principal of the Prior Bonds, and (ii) for deposit in the Series 2017 A Bonds Sinking Fund (and in the Series 2017 A Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2017 A Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2017 A Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2017 A Bonds on the next ensuing principal payment or mandatory Redemption Date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2017 A Bonds Sinking Fund and the next ensuing

principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2017 A Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Reserve Accounts for the Prior Bonds; and (ii) commencing 13 months prior to the first date of payment of principal of the Series 2017 A Bonds or upon completion of construction of the Project, whichever is earlier, if not fully funded upon issuance of the Series 2017 A Bonds, for deposit in the Series 2017 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2017 A Bonds Reserve Requirement, provided, that no further payments shall be made into the Series 2017 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2017 A Bonds Reserve Requirement, provided further, that if the amounts in the Series 2017 A Bonds Reserve Account, as a result of a decrease in value of the Series 2017 A Bonds Reserve Account below the Series 2017 A Bonds Reserve Account Requirement or any withdrawal from the Series 2017 A Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2017 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (i) the valuation of investments in the Series 2017 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 2017 A Bonds Reserve Account is less than the Series 2017 A Bonds Reserve Account Requirement, or (ii) any amount is withdrawn from the Series 2017 A Bonds Reserve Account for deposit into the Series 2017 A Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2017 A Bonds Reserve Account to an amount equal to the Series 2017 A Bond Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2017 A Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2017 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 2017 A Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2017 A Bond Reserve Account Requirement.

Amounts deposited in, or pledged to, the Series 2017 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2017 A Bonds when due, when amounts in the Series 2017 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

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

(5) The Issuer shall next, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2.5% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the

Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Ordinances so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, or improvements or 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 Reserve Account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund

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

B The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2017 A Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2017 A Bonds, if any, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. The monies on deposit in the Revenue Fund and the Renewal and Replacement Fund in excess of the sum insured by the FDIC shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of municipal funds under the laws of the State

D Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2017 A Bonds, and any hereinafter issued Additional Parity Bonds all in accordance with the respective principal amounts then Outstanding.

ARTICLE V
INVESTMENTS; NON-ARBITRAGE;
REBATES OF EXCESS INVESTMENT EARNINGS

Section 5 01 Investments. The Issuer, through the Board, shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall, though the Board, sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer, through the

Board, may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct

The following specific provisions shall apply with respect to any investments made under this section (unless otherwise required by the Bond Insurer and as set forth in the Supplemental Resolution).

(A) Qualified Investments acquired for the Series 2017 A Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment

(B) The Issuer, through the Board, shall, or shall cause the Bond Commission to, annually transfer from the Series 2017 A Bonds Reserve Account to the Series 2017 A Bonds Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2017 A Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2017 A Bonds Reserve Account an amount at least equal to the Series 2017 A Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2017 A Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal If no longer funded with a Municipal Bond Debt Service Reserve Insurance Policy equal to the Series 2017 A Bonds Reserve Requirement and the amounts on deposit in the Series 2017 A Bonds Reserve Account shall, at any time, be less than the applicable Series 2017 A Bonds Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the respective sinking funds for the Prior Bonds and the Series 2017 A Bonds Sinking Fund and otherwise in accordance with Section 4 03(3).

(E) All amounts representing accrued and capitalized interest, if any, shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2017 A Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged

(F) Notwithstanding the foregoing, all monies deposited in the Series 2017 A Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended

Section 5.02. Continuing Disclosure Agreement The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the Issuer hereby instructs the Mayor to take all actions necessary for the Issuer to comply with the continuing disclosure agreement

Section 5.03. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2017 A Bonds in such manner and to such extent as may be necessary, so that such Series 2017 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without

implied limitation, the timely filing of a Federal information return with respect to such Series 2017 A Bonds) so that the interest on the Series 2017 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.04 Tax Certificate, Rebates, and Rebate Fund The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2017 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2017 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the Combined Utility System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be time to time in effect with such reports and statements as may be prescribed by such Regulations In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefore The Issuer at its expense may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.04 The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5 04 in accordance with the requirements of Section 148(f) of the Code and such Regulations In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2017 A Bonds from gross income for federal income tax purposes

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2017 A Bonds, as prescribed by Article VII In addition to the other covenants, agreements and provisions of this

Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2017 A Bonds, as hereinafter provided in this Article VI All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2017 A Bonds or the interest thereon, are Outstanding and unpaid

Section 6.02 The Series 2017 A Bonds not to be Indebtedness of the Issuer. The Series 2017 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, the monies in the Series 2017 A Bonds Sinking Fund and all accounts therein, the unexpended proceeds of the Series 2017 A Bonds or monies in the Series 2017 A Bonds Construction Fund, if any, all as herein provided No Holder or Holders of any Series 2017 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2017 A Bonds or the interest thereon.

Section 6.03 Series 2017 A Bonds Secured by Pledge of Gross Revenues and Monies in Series 2017 A Bonds Sinking Fund The payment of the debt service of all of the Series 2017 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the Combined Utility System on a parity with one another and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds and hereinafter issued Additional Parity Bonds, and with respect to the Series 2017 A Bonds, all monies and securities in the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, to the extent necessary to make the payments required under Section 4 03 The Gross Revenues derived from the Combined Utility System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, the Series 2017 A Bonds herein authorized, and any hereinafter issued Additional Parity Bonds, and to make the payments into the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, are pledged *pari passu* by the Issuer.

Section 6.04 Rates Equitable rates or charges for the use of and service rendered by the Combined Utility System have been established all in the manner and form required by law Copies of such rates and charges so established may be obtained from the Board by all interested parties The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the Combined Utility System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the 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 on the Series 2017 A Bonds and all other obligations secured by a lien on or payable from such Gross Revenues on a parity with the Series 2017 A Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the Combined Utility System within 120 days following a determination of an Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage

The Issuer expressly reserves the right to reduce the rates for the Combined Utility System, whether approved or in effect as of the date of issuance of the Series 2017 A Bonds, in the event that, based on a certificate of an Independent Certified Public Accountant, after any such decrease in rates, the Issuer will meet the requirements of this Section 6.04 and is not in default under any other provision of any ordinance authorizing any bonds or other indebtedness secured by the Gross Revenues of the Combined Utility System

Section 6.05. Completion of Project, Operation and Maintenance of the Combined Utility System. The Issuer will complete the Project as promptly as possible The Issuer will maintain the Combined Utility System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of said Combined Utility System in the manner provided in this Ordinance

The Issuer either has, or will, obtain all permits required by state and federal laws for the acquisition, construction and equipping of the Project.

Section 6.06 Sale of the Combined Utility System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the Combined Utility System, except as provided by the Prior Ordinances Additionally, so long as the Series 2017 A Bonds are Outstanding, the Combined Utility System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01 The proceeds from such sale, mortgage, lease or other disposition of the Combined Utility System shall be immediately remitted to the Bond Commission for deposit in the Series 2017 A Bonds Sinking Fund, and otherwise as prescribed by Section 9 01 Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Revenues of the 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 is not in excess of $1,000,000, the Board shall, in writing, determine that such property comprising a part of the Combined Utility System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be used for any lawful purpose of the Combined Utility System If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $1,000,000 but not in excess of $5,000,000, the Board shall first obtain the written approval of the Consulting Engineers that such property comprising a part of the Combined Utility System is no longer necessary, useful or profitable in the operation thereof, and the Board may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State The proceeds derived from any such sale, lease or other disposition of such property, in excess of $1,000,000 and not in excess of $5,000,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance

No sale, lease or other disposition of the properties of the Combined Utility System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $5,000,000 and

insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of (i) any applicable Bond Insurer, or (ii) if the Series 2017 A Bonds are not insured, the Holders, or their duly authorized representatives, of 60% in an amount of Series 2017 A Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer or the then Holders of the Series 2017 A Bonds for the disposition of the proceeds from the sale, lease or other disposition of such properties of the Combined Utility System

Section 6.07 Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, payable from the Gross Revenues of the Combined Utility System which rank prior to, or equally, as to lien on and source of and security for payment from the Gross Revenues with the Series 2017 A Bonds and the Prior Bonds, and all obligations hereafter issued by the Issuer payable from the Gross 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 Gross Revenues and in all other respects to the Series 2017 A Bonds

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2017 A Bonds, upon any of the income and revenues of the Combined Utility System pledged for payment of the principal of, and interest on the Series 2017 A Bonds in this Ordinance or upon the Combined Utility System or any part thereof.

Section 6.08 Additional Parity Bonds. So long as the Prior Bonds are outstanding the limitations on the issuance of parity obligations set forth in the Prior Ordinances authorizing such bonds shall be applicable In addition, no Additional Parity Bonds, as in this section defined, payable out of the Gross Revenues of the Combined Utility System shall be issued after the issuance of the Series 2017 A Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition, construction and/or equipping of additions, betterments and/or improvements for the Combined Utility System, refunding all or a portion of one or more series of the Series 2017 A Bonds and/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 Combined Utility 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 Combined Utility 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 2017 A Bonds then Outstanding,

(2) The Prior Bonds then Outstanding;

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

(4) The Additional Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Additional Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such Additional Parity Bonds.

The Net Revenues actually derived from the 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 Accountant, as stated in a certificate, 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 Additional Parity Bonds

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean evidence of indebtedness, specifically including, but not limited to, bonds and notes issued under the provisions and within the limitations of the Act and this section, payable from the Gross Revenues of the Combined Utility System on a parity with the Series 2017 A Bonds and the Prior Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2017 A Bonds and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the Combined Utility System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the Combined Utility System of which is subject to the prior and superior lien of the Series 2017 A Bonds, the Prior Bonds and any theretofore issued Additional Parity Bonds on such Gross Revenues. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the Combined Utility 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 2017 A Bonds except in the manner and under the conditions provided in this section

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Series 2017 A Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in this Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance

Section 6 09 Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2017 A Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense of the Combined Utility System, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation covering the following risks and in the following amounts

A FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the Combined Utility System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the Combined Utility System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Board and the Issuer during construction of the Project in the full insurable value thereof.

B PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by public utilities of equivalent size with respect to works and properties similar to the Combined Utility System to protect the Issuer and the Board from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the ownership, management, operation and maintenance 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; provided, that the Board, with the review of an independent insurance consultant and the concurrence of the Issuer, may elect to self-insure

C. 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 bonds will be filed with the Clerk of the County Commission of Monongalia County prior to commencement of acquisition, construction and/or equipping of any additions, extensions or improvements for the Combined Utility System in compliance with West Virginia Code, Section 38-2-39.

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

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Board 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

The Issuer and/or 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 Issuer and/or 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.

If the Issuer or the Board determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer or the Board for the Combined Utility System, taking into consideration the costs and practices of other municipal utility systems of similar size and to the extent that such information is available. The Issuer and/or the Board may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer or the Board determines to be reasonable, including the right to self-insure and participate in captive insurance companies

Section 6.10 Services Rendered to the Board or Issuer The Board will not render or cause to be rendered any free services of any nature by its Combined Utility System, and, in the event the Board, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself of any or all 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 Board, the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Board or the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties The revenues so received shall be deemed to be revenues derived from the operation of the 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 6 11 Enforcement of Collections. The Issuer shall, through the Board, 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

Section 6 12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the Combined Utility System.

Section 6.13 Books and Records. 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 Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the Combined Utility System. Any Holder of a Series 2017 A Bond 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 Board relating thereto.

The accounting system for the Combined Utility System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting

records shall be maintained by the Board Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Board The Board shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Board shall be reported to such agent of the Board as it shall direct.

The Issuer or the Board shall, at least once a year, cause the books, records and accounts of the Combined Utility System to be completely audited by an Independent Certified Public Accountant

Section 6 14 Operating Budget The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the Combined Utility System during the succeeding Fiscal Year.

Section 6 15. Mandatory Connections. The mandatory use of the sanitary sewerage portion 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, and in order to assure the rendering harmless of sewage and waterborne waste matter produced or arising within the territory served by the sanitary sewerage portion of the Combined Utility System Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the sanitary sewerage portion of the Combined Utility System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sanitary sewerage portion of the Combined Utility System

Any such house, dwelling or building from which emanates sewage or waterborne waste matter and which is not so connected to the sanitary sewerage portion of the Combined Utility System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the residents of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 6 16 Statutory Mortgage Lien. For the further protection of the Holders of the Series 2017 A 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 the issuance of the Series 2017 A Bonds and shall be on a parity with all series of the Series 2017 A Bonds and with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 6.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2017 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2017 A Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2017 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2017 A Bonds during the terms thereof is, under the terms of such Series 2017 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in

property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2017 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Combined Utility System, or if the Series 2017 A Bonds are for the purpose of financing more than one project, a portion of the Combined Utility System, and shall not exceed the proceeds used for the governmental use of that portion of the Combined Utility System to which such Private Business Use is related All of the foregoing shall be determined as provided for in the Code.

B. PRIVATE LOAN LIMITATION The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2017 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units

C FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2017 A Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder

D INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2017 A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2017 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. Without limiting the generality of the foregoing, the Issuer agrees to comply with the provisions of the Tax Certificate, which are hereby incorporated herein This covenant shall survive payment in full or defeasance of the Series 2017 A Bonds

Section 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer may obtain a Municipal Bond Insurance Policy for all, or certain maturities, of the Series 2017 A Bonds. In the event such Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2017 A Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2017 A Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith

Section 6.19 Covenants Regarding the Municipal Bond Debt Service Reserve Insurance Policy. The Issuer intends to obtain a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2017 A Bonds Debt Service Reserve Account in an amount equal to the Series 2017 A Bonds Reserve Requirement. In the event such Municipal Bond Debt Service Reserve Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2017 A Bonds, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.20. Continuing Disclosure Agreement The Issuer shall deliver a Continuing Disclosure Agreement, Dissemination Agent Agreement or Continuing Disclosure Certificate

in form acceptable to the Original Purchaser, the form of which shall be approved by the Supplemental Resolution, sufficient to ensure compliance with Rule 15c2-12, as it may be amended from time to time, and the Mayor is authorized and directed to execute and deliver such Continuing Disclosure Agreement on behalf of the Issuer, with such changes as the Mayor shall approve, such approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by the Mayor The Mayor and Clerk are further authorized to take all actions necessary for the Issuer to comply with the Continuing Disclosure Agreement.

Section 6 21 Preliminary Official Statement; Official Statement The distribution of the Preliminary Official Statement with respect to the Series 2017 A Bonds shall be and the same is hereby approved The Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution The Mayor is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2017 A Bonds and as the Mayor may approve (the "Official Statement"). The execution of the Official Statement by the Mayor shall be conclusive evidence of such approval Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6 22 Bond Purchase Agreement. The Series 2017 A Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2017 A Bonds.

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2017 A Bond; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or Supplemental Resolution or in the Series 2017 A Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Bond Insurer, or

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

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

Section 7 02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder (with the prior written consent of the applicable Bond Insurer) or any Bond Insurer may

exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular.

(A) Bring suit for any unpaid principal or interest then due,

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance,

(C) Bring suit upon the Series 2017 A Bonds, as applicable,

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute, all pro rata, with respect to the Prior Bonds and the Series 2017 A Bonds, in accordance with the respective principal amounts then Outstanding.

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

No waiver of any default or Event of Default hereunder by the Bondholders shall be made without the prior written consent of the applicable Bond Insurer or shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7 03. Appointment of Receiver If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the Combined Utility System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Series 2017 A Bonds and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the Combined Utility System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of said Combined Utility System and shall hold, operate, maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do

Whenever all that is due upon the Series 2017 A Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Gross Revenues of the Combined Utility System shall have been paid and made good, and all defaults

under the provisions of this Ordinance and any Supplemental Resolution shall have been cured and made good, and all monies due hereunder or under any Supplemental Resolution have been paid in full, possession of the 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 Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the Combined Utility System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Holders of the Series 2017 A Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the Combined Utility System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the Combined Utility System. for the sole purpose of the protection of both the Issuer and the Holders of the Series 2017 A Bonds, and the curing and making good of any default under the provisions of this Ordinance, 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, mortgage or otherwise dispose of any assets of the Combined Utility System

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Holders of the Series 2017 A Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee representing the Holders of the Series 2017 A Bonds shall consider the effect on the Holders of the Series 2017 A Bonds as if no Municipal Bond Insurance Policy were then in effect

Section 7.04. Restoration of Issuer and Holders of the Series 2017 A Bonds In case any Holder of the Series 2017 A Bonds shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Holder of the Series 2017 A Bonds shall be restored to their former positions and rights hereunder, and all rights and remedies of such Holder of the Series 2017 A Bonds shall continue as if no such proceedings had been taken.

ARTICLE VIII
REGISTRAR AND PAYING AGENT

Section 8 01. Appointment of Registrar The Registrar for the Series 2017 A Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2017 A Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any

liability on account of, the validity of the execution of any Series 2017 A Bonds by the Issuer Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2017 A Bonds The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03 Evidence on Which Registrar May Act Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter

Section 8.04. Compensation and Expenses The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2017 A Bonds, the first exchange of Series 2017 A Bonds and the exchange of Series 2017 A Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05 Certain Permitted Acts The Registrar may become the owner of or may deal in Series 2017 A Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2017 A Bonds, or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2017 A Bonds Outstanding

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than sixty (60) days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within twenty (20) days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer) Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately; provided, that in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar

Section 8.07 Removal The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer or by the Holders of a majority in principal amount of the Series 2017 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the applicable Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument, provided, that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a

receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2017 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within twenty (20) days after the effective date of such appointment A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer) Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders If in a proper case no appointment of a successor Registrar shall be made within forty-five (45) days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09 Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it to its successor.

Section 8.10. Merger or Consolidation Any company into which the Registrar may be merged or converted, or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8 08

Section 8 11. Adoption of Authentication In case any of the Series 2017 A Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8 12 Paying Agent. The West Virginia Municipal Bond Commission shall initially serve as Paying Agent as required by the Act Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2017 A Bonds shall be and remain DTC-Eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from monies available therefor

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within thirty (30) days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8 08 hereof with respect to the appointment of a successor Registrar

All monies received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received

ARTICLE IX
DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance, Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2017 A Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Gross Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2017 A Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2017 A Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2017 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section All Series 2017 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2017 A Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Series 2017 A Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2017 A Bonds; provided, that any cash received

from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Series 2017 A Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X
MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2017 A Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2017 A Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Holder of the Series 2017 A Bonds or other person, be amended, modified or supplemented in any manner which, in the written opinion of Bond Counsel, does not materially adversely affect the interests of the Holder of the Series 2017 A Bonds or any Bond Insurer; provided, that in the event any of the Series 2017 A Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Series 2017 A Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made (i) without the written consent of the Holders of 60% in aggregate principal amount of the Series 2017 A Bonds then Outstanding and affected thereby; or (ii) the Bond Insurer. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2017 A Bond without the express written consent of the Holder of such Series 2017 A Bond, nor reduce the percentage of Series 2017 A Bonds required for consent to any such modification or amendment

Section 10 02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable

A The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person

purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C The amount of fully registered Series 2017 A Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Series 2017 A Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith

Section 10 03 Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds All Series 2017 A Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Series 2017 A Bonds shall be issued in lieu thereof All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2017 A Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

ISSUER

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

With copy to.

Morgantown Utility Board
278 Greenbag Road
Morgantown, WV 26501
Attention: General Manager

REGISTRAR
[Name(s) and address(s) to be set forth in Supplemental Resolution]

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

DEPOSITORY BANK
[Name(s) and address(s) to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER
[Name(s) and address(s) to be set forth in Supplemental Resolution]

BOND INSURER
[Name(s) and address(es) to be set forth in the Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties

Section 10.07 No Personal Liability. No member of the Council, the Board or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any of the Series 2017 A Bonds, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance

Section 10.08 Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2017 A Bonds issued hereunder

Section 10.09. Parties Interested Herein Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2017 A Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2017 A Bonds, the Bond Insurer and the Original Purchaser

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headlines The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof

Section 10 12. Conflicting Provisions Repealed All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 10.13. Procedure on Enactment of Ordinance, Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Dominion Post*, a newspaper published and having a general circulation in The City of Morgantown, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2017 A Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 2nd day of February, 2016, at 7:00 p m., in the Council Chambers of the City Hall, Morgantown and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

[*Remainder of Page Intentionally Left Blank*]

Section 10.14 Effective Date This Ordinance shall become effective following public hearing hereon in accordance with the Act.

First Reading	January 5, 2016
Second Reading	January 19, 2016
Effective following Public Hearing held on.	February 2, 2016

THE CITY OF MORGANTOWN

_____

Mayor

[SEAL]

ATTEST.

_____

City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of THE CITY OF MORGANTOWN at a regular meeting of the City Council held on February 2, 2016, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in The City of Morgantown, the first publication having been not less than 10 days prior to such public hearing

Dated this ____ day of _____. 2017

[SEAL]

_____

City Clerk

EXHIBIT A – FORM OF SERIES 2017 A BONDS

[DTC Legend]

No AR-_____

$_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP
_____%	_____	_____	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2017 A Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2017 A Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2017 A Bond is called for prior redemption and payment on such date is provided for Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance

Interest accruing on this Series 2017 A Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the

applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Series 2017 A Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2017 A Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2017 A Bond for payment at the office of the Paying Agent, in Charleston, West Virginia

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2017 A" (the "Series 2017 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2017, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay a portion of the Costs of design, acquisition, construction and equipping of the Project, (ii) [to pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2017 A Bonds;] (iii) [to fund a reserve account for the Series 2017 A Bonds/to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2017 A Bonds] in an amount equal to the Series 2017 A Bonds Reserve Requirement; and (iv) to pay certain costs of issuance of the Series 2017 A Bonds and related costs. The Series 2017 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 an ordinance duly enacted by the City Council of the Issuer on February 2, 2016, and supplemented by a supplemental resolution adopted by said City Council on December __, 2016 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2017 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2017 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia

[The Series 2017 A Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Bond Insurer] __.]

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE FOLLOWING COMBINED UTILITY SYSTEM REVENUE BONDS OF THE ISSUER (COLLECTIVELY, THE "PRIOR BONDS"):

(1) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 1995 (WEST VIRGINIA SRF PROGRAM), DATED APRIL 27, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,601,477 (THE "SERIES 1995 BONDS"),

(2) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,842,000 (THE "SERIES 2000 A BONDS");

(3) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,488,000 (THE "SERIES 2000 B BONDS"),

(4) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 8, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,812,470 (THE "SERIES 2001 A BONDS"),

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $6,410,191 (THE "SERIES 2006 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,500,000 (THE "SERIES 2007 A BONDS"),

(7) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(8) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $81,600 (THE "SERIES 2010 B BONDS"),

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS"),

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $9,317,286 (THE "SERIES 2010 D BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 E (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 E BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(13) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS"),

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 C (BANK

QUALIFIED), DATED OCTOBER 5, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,330,000 (THE "SERIES 2012 C BONDS");

(15) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(16) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $137,568 (THE "SERIES 2015 A BONDS");

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,586 (THE "SERIES 2015 B BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 C (WEST VIRGINIA SRF PROGRAM), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,111,813 (THE "SERIES 2015 C BONDS");

(20) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D (WEST VIRGINIA SRF PROGRAM), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,688,394 (THE "SERIES 2015 D BONDS"),

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 E (WEST VIRGINIA SRF PROGRAM), DATED JUNE 11, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $662,300 (THE "SERIES 2015 E BONDS");

(22) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS"); AND

(23) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS").

The Series 2017 A Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on and after _____, 20____, are subject to redemption prior to maturity at the option of the Issuer on or after _____, 20_____, in whole at any time and in part on any Interest Payment Date, as directed by the Issuer, in reverse order of maturity and by lot within a maturity, at the following Redemption Prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption.

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Series 2017 A Bonds maturing on _____, 20_____ and 20_____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption

Bonds Maturing _____ 1, 20

Year (1)	Principal Amount

_____

* Final Maturity

In the event of any redemption of less than all outstanding Series 2017 A Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2017 A Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2017 A Bonds are to be redeemed, the Series 2017 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2017 A Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2017 A Bond or Series 2017 A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2017 A Bonds or portions of Series 2017 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2017 A Bonds or portions of Series 2017 A Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2017 A Bond

The Series 2017 A Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2017 A Bonds Sinking Fund, and the Series 2017 A

Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2017 A Bonds, including monies in the Series 2017 A Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2017 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2017 A Bonds Sinking Fund and the Series 2017 A Bonds Reserve Account and the unexpended proceeds of the Series 2017 A Bonds, including monies in the Series 2017 A Bonds Construction Fund Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the 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 2017 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2017 A Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2017 A Bonds, for the terms of which reference is made to the Ordinance Remedies provided the registered owners of the Series 2017 A Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2017 A Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, [pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of and interest on the Series 2017 A Bonds], [fund a reserve account for the Series 2017 A Bonds/pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy] in amount equal to the Series 2017 A Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2017 A Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2017 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2017 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2017 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2017 A Bonds of which this Series 2017 A Bond is one.

This Series 2017 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance

This Series 2017 A Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2017 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2017 A Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2017 A Bond to the same extent as if written fully herein

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2017 A Bond to be dated as of the Series 2017 A Bond Date specified above.

[SEAL]

[Manual or facsimile signature]
Mayor

ATTEST:

[Manual or facsimile signature]
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2017 A Bond is one of the fully registered Series 2017 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2017 A Bonds.

Dated: _____, 2016.

_____,
As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated _____, 20____.

_____

SIGNATURE GUARANTEED.

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

THE CITY OF MORGANTOWN, WEST VIRGINIA

COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A (TAX EXEMPT)

BOND ORDINANCE

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FORM OF CERTIFICATE OF DETERMINATIONS

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2017 A

CERTIFICATE OF DETERMINATIONS

The undersigned, _____, Mayor of The City of Morgantown (the "Issuer"), in accordance with the Series 2017 A Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on November 1, 2016 (the "Series 2017 A Supplemental Parameters Resolution"), with respect to the Issuer's Combined Utility System Revenue Bonds, Series 2017 A (the "Series 2017 A Bonds"), hereby finds and determines this ____ day of November, 2016, as follows.

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

2 The Series 2017 A Bonds shall be issued in the aggregate principal amount of $_____. The interest rates on the Series 2017 A Bonds do not exceed 6 0%, being the maximum interest rate authorized by the Series 2017 A Ordinance.

3 The Series 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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 2017 A Insurance Commitment, and, as permitted by Section 1_ of the Series 2017 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 2017 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 2017 A Ordinance and applicable to the Series 2017 A Bonds.]

10 [The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by _____ ("_____") to fund the Series 2017 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 2017 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 2017 A Reserve Commitment, and, as permitted by Section 15 of the Series 2017 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 2017 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 2017 A Bonds]

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2017 A Bonds are within the parameters prescribed by the Series 2017 A Supplemental Parameters Resolution, and the Series 2017 A Bonds may be issued with such terms and conditions as authorized by the Series 2017 A Supplemental Parameters Resolution

WITNESS my signature the day and year first written above

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

627490 00055

SCHEDULE 1 – CERTIFICATE OF DETERMINATIONS

SERIES 2017 A BOND TERMS

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

SCHEDULE 2 – CERTIFICATE OF DETERMINATIONS

REDEMPTION PROVISIONS:

SERIES 2017 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 2017 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 2017 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 2017 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 2017 A SUPPLEMENTAL PARAMETERS RESOLUTION

FORM OF PRELIMINARY OFFICIAL STATEMENT

See Attached

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2016

NEW ISSUE
BOOK ENTRY ONLY

RATINGS: Standard & Poor's: "A+"
Moody's: "A1"
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.

$_____*

THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS
SERIES 2017 A

Dated: Date of Delivery

Due: As shown on inside front cover

The Combined Utility System Revenue Bonds, Series 2017 A (the "Series 2017 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 potable water supply, treatment, storage, and distribution 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 2017 A Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the "Series 2017 A Reserve Policy") from Assured Guaranty Municipal Corp. ("AGM" or the "Bond Insurer"), and (iii) to pay Costs of Issuance (defined herein) of the Series 2017 A Bonds and related costs. The Series 2017 A Bonds Reserve Account shall be funded through the Series 2017 A Reserve Policy issued simultaneously with the delivery of the Series 2017 A Bonds by the Bond Insurer in the amount equal to the Series 2017 A Bonds Reserve Requirement. For a description of the Series 2017 A Reserve Policy and the Bond Insurer, see "SECURITY FOR THE SERIES 2017 A BONDS – Sources of Payment" and "APPENDIX G – DESCRIPTION OF BOND INSURER" herein.

Interest on the Series 2017 A Bonds is payable on each _____ 1 and _____ 1, commencing _____ 1, 2017 (each, a "Payment Date"). So long as the Series 2017 A Bonds are maintained under a book-entry system, payments of the principal of, and premium, if any, and interest on, the Series 2017 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 2017 A Bonds are subject to optional and mandatory redemption prior to maturity as set forth herein. See "THE SERIES 2017 A BONDS – Redemption Provisions for Series 2017 A Bonds" herein.

The Series 2017 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 Prior Bonds (herein defined), any Additional Parity Bonds (herein defined) that may hereafter be issued by the Issuer, and from funds on deposit in, and with respect to the Series 2017 A Bonds Reserve Account, the Series 2017 A Bonds Reserve Policy pledged to, the Series 2017 A Bonds Sinking Fund and the Series 2017 A Bonds Reserve Account, and the unexpended proceeds of the Series 2017 A Bonds, all as more fully described herein. See "INTRODUCTION – Concurrent Financing for the Project by the Issuer" herein.

The Series 2017 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 2017 A Bonds or the interest thereon except from the above-referenced Gross Revenues and the Series 2017 A Bonds Sinking Fund and Series 2017 A Bonds Reserve Account therein. The Series 2017 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 2017 A Bonds.

The Series 2017 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 2017 A Bonds will not receive certificates representing their interests in the Series 2017 A Bonds purchased. The Series 2017 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.

This cover page contains only a brief description of the Issuer, the Project, and the Series 2017 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.

The Series 2017 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.

*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.

Timothy Stranko. It is expected that the Series 2017 A Bonds will be available for delivery through The Depository Trust Company on or about _____, 2017

Dated January __, 2017

BofA Merrill Lynch

Citigroup **Crews & Associates, Inc.**

$_____*
The City of Morgantown (West Virginia)
Combined Utility System Revenue Bonds, Series 2017 A

MATURITIES, AMOUNTS AND INTEREST RATES*

$_____* 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					2027				
2018					2028				
2019					2029				
2020					2030				
2021					2031				
2022					2032				
2023					2033				
2024					2034				
2025					2035				
2026					2036				

$_____* _____% Term Bonds due _____ 1, 20__ at _____% CUSIP ___
$_____* _____% Term Bonds due _____ 1, 20__ at _____% CUSIP ___

*Preliminary, subject to change

** CUSIP® is a registered trademark of the American Bankers Association CUSIP numbers are provided by CUSIP Global Services ("GCS") operated by S&P Capital IQ base and does not serve in any way as a substitute for the CGS CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of investors. Neither the Issuer nor the Underwriters are responsible for the selection or uses of these CUSIP members, and no representation is made as to their correctness on the Series 2017 A Bonds or as included herein The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2017 A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of a secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2017 A Bonds

[***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 2017 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 2017 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 2017 A Bonds Sinking Fund, and the Series 2017 A Bonds Reserve Account therein, and the unexpended proceeds of the Series 2017 A Bonds, all as herein provided. No Holder or Holders of the Series 2017 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2017 A Bonds or the interest thereon.

Debt Service Reserve Insurance Policy

AGM makes no representation regarding the Series 2017 A Bonds or the advisability of investing in the Series 2017 A Bonds. In addition, AGM 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 AGM, supplied by AGM and presented in "APPENDIX G – DESCRIPTION OF BOND INSURER" and "APPENDIX H – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE 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 2017 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 2017 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 2017 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

$_____*
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 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 $_____ in aggregate principal amount of its Combined Utility System Revenue Bonds, Series 2017 A (the "Series 2017 A Bonds"). The Series 2017 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 December __, 2016, and a Certificate of Determinations executed by the Mayor of the Issuer on January __, 2017 (said ordinance, as so supplemented, is collectively referred to herein as the "Series 2017 A Ordinance").

Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings ascribed thereto in the Series 2017 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

* Preliminary, subject to change.

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

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 2017 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 2017 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 retail potable water service to approximately 26,000 service connections and retail 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 2017 A Bonds Proceeds

The net proceeds from the sale of the Series 2017 A Bonds will be applied as follows: (i) to pay, along with available funds of the Combined Utility System, the costs to design, acquire, construct and equip certain additions, betterments and improvements to the Water System of the Combined Utility System (collectively, the "Project," as hereinafter described); (ii) to fund the Series 2017 A Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the "Series 2017 A Reserve Policy") from Assured Guaranty Municipal Corp. ("AGM" or the "Bond Insurer"), and (iii) to pay costs of issuance of the Series 2017 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 2017 A Bonds to be used to finance the Costs of the Project shall be deposited in a segregated account known as the Series 2017 A Bonds Construction Account. The proceeds of the Series 2017 A Bonds will be invested in Permitted Investments pursuant to the Series 2017 A Ordinance.

Security and Sources of Payment for the Series 2017 A Bonds

The Series 2017 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 Prior Bonds (hereinafter defined), and any Additional Parity Bonds (hereinafter defined) that may hereafter be issued by the Issuer as permitted by the Series 2017 A Ordinance (the Series 2017 A 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 2017 A Bonds, and from funds on deposit in the Series 2017 A Bonds Sinking Fund, and the Series 2017 A Reserve Policy pledged to, and any funds in, the Series 2017 A Bonds Reserve Account, established for the Series 2017 A Bonds under the Series 2017 A Ordinance.

The Series 2017 A Bonds are special obligations of the Issuer. The Series 2017 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 2017 A Bonds, or the interest or any premium, thereon, except from the Gross Revenues and funds on deposit in the Series 2017 A Bonds Sinking Fund, the Series 2017 A Bonds Reserve Account established therefor, and the unexpended proceeds of the Series 2017 A Bonds. Pursuant to the Series 2017 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 2017 A BONDS – Rate Covenant" herein.

The Series 2017 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 2017 A BONDS" herein. The Series 2017 A Bonds will initially be maintained under a book-entry system. So long as the Series 2017 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 2017 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 2017 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 2017 A BONDS" herein and "APPENDIX E – FORM OF SERIES 2017 A BOND ORDINANCE" herein.

There are outstanding obligations of the Issuer which will rank on parity with the Series 2017 A Bonds and the Series 2016 B Bonds as to lien, pledge, source of and security for payment. See "SECURITY FOR THE SERIES 2017 A BONDS" herein. The Issuer may issue additional bonds on parity with the Series 2017 A 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 or any hereinafter issued Additional Parity 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 2017 A Ordinance and the Prior Ordinances. See "SECURITY FOR THE SERIES 2017 A BONDS – Additional Parity Bonds" herein.

Brief descriptions of the Series 2017 A Bonds, the Project, the Combined Utility System, the Series 2017 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 2017 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 2017 A Bonds are qualified in their entirety by reference to the form thereof included in the Series 2017 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 2017 A Ordinance. See "APPENDIX E – FORM OF SERIES 2017 A BOND ORDINANCE" herein.

PURPOSE AND PLAN OF FINANCING

The Project

The Series 2017 A Bonds are being issued to (i) provide funds, along with 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 Water System of the Combined Utility System, specifically including, but not limited to, additions, betterments and improvements as more fully described in the following paragraphs, together with all necessary appurtenances (collectively, the "Project"); (ii) fund the Series 2017 A Bonds Reserve Account through the purchase of the Series 2017 A Reserve Policy from the Bond Insurer, and (iii) to pay the costs of issuance of the Series 2017 A Bonds.

The Project has up to four distinct components:

1. Coburn Reserve #2

MUB currently operates a single raw water reservoir, known as Coburn 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. CCR #1 was constructed in the 1950's and, given the current demand in the Potable Water System, it contains only 3.4 days of raw water supply.

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.

2 Raw Water Transmission Line.

Currently, raw water from CCR#1 is transferred to MUB s water treatment plant via a stream MUB has received bids for the acquisition, construction and equipping of a ____ inch raw water transmission line to convey raw water from CCR #1 and CCR #2 to the water treatment plant.

3 Emergency Water Treatment Plant Power Supply

MUB's water treatment plant has dual source power to the facility, however, both sources are reliant upon the same ultimate power transmission infrastructure MUB has received bids for acquisition, installation and equipping of a diesel generator to provide an emergency source of power for the water treatment plant This emergency power source will provide sufficient electricity to run the entire water treatment plant at full capacity for an indefinite period

4. Maintenance Building

MUB has designed a maintenance building to be constructed at the _____. The construction of the maintenance building will allow MUB to store its entire fleet of rolling stock away from the elements Bids for the maintenance building have been received

5 Miscellaneous Capital Improvements

MUB has designed various miscellaneous capital additions, betterments and improvements to the treatment, storage and distribution assets in the Potable Water System Contracts for these additions, betterments and improvements have not been bid, and many of these improvements may be constructed in whole or in part by MUB employees. These additions, betterments and improvements may be undertaken with any funds remaining in contingency following the completion of the components outlined above

The Morgantown Utility Board opened bids for Coburn Creek Reservoir #2, the Raw Water Transmission Line, the Emergency Water Treatment Plant Water Supply and the Maintenance Building on November __, 2016 The Project is divided into __ construction contracts, and the total construction cost of the Project is $_____* The Morgantown Utility Board anticipates a _____ (__) 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 2017 A Bonds and the funding of the Project

Sources:	Series 2017 A*	Total
Bond Proceeds:		
Par Amount	$_____	$_____
Premium	_____	_____
MUB Equity Contribution	_____	_____
Total Sources	**$**_____	**$**_____
Uses		
Project Fund Deposits		
Raw Water Reservoir	$_____	$_____
Raw Water Transmission Line	_____	_____
Emergency Generator	_____	_____
Maintenance Building	_____	_____
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 2017 A Bonds.

THE SERIES 2017 A BONDS

General

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

Redemption Provisions for Series 2017 A Bonds

Optional Redemption

The Series 2017 A Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after _____ 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 _____ 1, 20__ 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 _____ 1 of the following years in the following amounts

Year	Principal Amount*
20__	$_____
20__	$_____
20__	$_____
20__	$_____
20__**	$_____

** Final Maturity

The Term Bonds due _____ 1, 20__ 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 _____ 1 of the following years in the following amounts

Year	Principal Amount*
20__	$_____
20__	$_____
20__	$_____
20__	$_____
20__**	$_____

** Final Maturity

Notice of Redemption

Unless waived by any holder of the Series 2017 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 2017 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 2017 A Bonds are to be redeemed, the identification (and in the case of partial redemption, the respective principal amounts) of the Series 2017 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 2017 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 2017 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 2017 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 2017 A Bonds called for redemption of such fact

Book Entry Only System

The Series 2017 A Bonds will be issued as fully registered Series 2017 A Bonds without coupons, in denominations of $5,000 or any integral multiples thereof for any year of maturity Interest on the Series 2017 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 _____ 15 and _____ 15) or, at the option of any Registered Owner of $1,000,000 or more of the Series 2017 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 2017 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 2017 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 2017 A Bond, there will be issued another Series 2017 A Bond or Series 2017 A Bonds, at the option of the Holder or transferee, of the aggregate principal amount equal to the unpaid amount of the transferred Series 2017 A Bond and of the same series, interest rate and maturity of said transferred Series 2017 A Bond. For every exchange or transfer of Series 2017 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 2017 A Bonds that have been called for redemption

Purchasers of the Series 2017 A Bonds will not receive certificates representing their interests in the Series 2017 A Bonds purchased. The Series 2017 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 2017 A Bonds as nominee of The Depository Trust Company, New York, New York, references herein to the Bondholders or registered owners of the Series 2017 A Bonds shall mean Cede & Co and shall not mean the beneficial owners of the Series 2017 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 2017 A Bonds (1) payments of principal of or interest and premium, if any, on the Series 2017 A Bonds, (2) confirmation of beneficial ownership interest in the Series 2017 A Bonds, or (3) redemption or other notices sent to DTC or Cede & Co , its nominee, as the registered owner of the Series 2017 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 2017 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 2017 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 2017 A Bonds

SECURITY FOR THE SERIES 2017 A BONDS

The Series 2017 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 2017 A Bonds except from said sources

Sources of Payment

The payment of the debt service on the Series 2017 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 a parity with the Prior Bonds, and any Additional Parity Bonds that may hereafter be issued by the Issuer as permitted by the Series 2017 A Ordinance, and the unexpended proceeds of the Series 2017 A Bonds The Series 2017 A Bonds are also payable from the funds on deposit in the Series 2017 A Bonds Sinking Fund, and the Series 2017 A Reserve Policy pledged to, and any funds on deposit in, the Series 2017 A Bonds Reserve Account therein See "APPENDIX E – FORM OF SERIES 2017 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 2017 A Bonds and to make the payments into the Series 2017 A Bonds Sinking Fund and to pay all other payments provided for in the Series 2017 A Ordinance, and the funds on deposit in the Series 2017 A Bonds Sinking Fund, and the Series 2017 A Reserve Policy pledged to, and any funds on deposit in, the Series 2017 A Bonds Reserve Account therein, are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the Series 2017 A Bonds as the same become due and for other purposes provided in the Series 2017 A Ordinance.

Rate Covenant

Prior to the issuance of the Series 2017 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 2017 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 2017 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 2017 A BOND ORDINANCE" herein

Series 2017 A Bonds Reserve Account

The Series 2017 A Bonds Reserve Requirement is $_____, which is equal to the least of (i) 10% of the original stated principal amount of the Series 2017 A Bonds, (ii) the maximum amount of principal and interest which will become due on the Series 2017 A Bonds in any fiscal year, or (iii) 125% of the average amount of principal and interest which will become due on the Series 2017 A Bonds The Issuer will obtain a Municipal Bond Debt Service Reserve Insurance Policy from the Bond Insurer in order to fund the Series 2017 A Bonds Reserve Account in the amount equal to the Series 2017 A Bonds Reserve Account Requirement (the "Series 2017 A Reserve Policy") In the event funds in the Series 2017 A Sinking Fund are insufficient to pay the principal of and/or interest on the Series 2017 A Bonds, the Paying Agent shall submit a Notice of Nonpayment to the Bond Insurer, which will, pursuant to the Series 2017 A Reserve Policy, pay the Paying Agent sufficient amounts to make payments of principal of and/or interest on the Series 2017 A Bonds as the same becomes due, subject to the Series 2017 A Reserve Policy If the Series 2017 A Reserve Policy is not in effect, the Paying Agent shall withdraw cash

from the Series 2017 A Bonds Reserve Account for transfer to the Series 2017 A Bonds Sinking Fund

Information with respect to the Bond Insurer and the Series 2017 A Reserve Policy is set forth in "APPENDIX G – DESCRIPTION OF BOND INSURER" and "APPENDIX H – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY" herein Under the Series 2017 A Reserve Policy, the Issuer is required to repay any draws upon the Series 2017 A Reserve Policy and any administrative expenses incurred by Bond Insurer, together with interest on the draws and the administrative expenses (collectively, the "Policy Costs") Repayment of the Policy Costs must commence in the first month following each draw on the Series 2017 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 2017 A Reserve Policy will be reduced by, and to the extent of, any payment made pursuant to the Series 2017 A Reserve Policy. Amounts equal to Policy Costs paid to AGM, 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 AGM on account of principal due, the coverage under the Series 2017 A Reserve Policy will be increased by a like amount, subject to the terms of the Series 2017 A Reserve Policy All cash and investments, if any, in the Series 2017 A Bonds Reserve Account shall be transferred to the Series 2017 A Bonds Sinking Fund for payment of the debt service on the Series 2017 A Bonds before any draw may be made on the Series 2017 A Reserve Policy. The Issuer does not expect there to be any cash or investments in the Series 2017 A Bonds Reserve Account

If the Series 2017 A Reserve Policy is not in effect, in the event of a transfer from the Series 2017 A Bonds Reserve Account to the Series 2017 A Bonds Sinking Fund as aforesaid, the Issuer shall restore the balance to the Series 2017 A Bonds Reserve Account in an amount up to the Series 2017 A Bonds Reserve Requirement The transfer of any cash by the Issuer from the Series 2017 A Bonds Reserve Account to the Series 2017 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 2017 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 2017 A Reserve Policy, or fund the Series 2017 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 2017 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 2017 A Bonds Reserve Account to satisfy the Series 2017 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 2017 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, and (ii) commencing seven (7) months prior to the first interest payment date of the Series 2017 A Bonds, simultaneously for deposit in the Series 2017 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2017 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 2017 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 2017 A Bonds and applied to such payment All payments of interest on the Prior Bonds and the Series 2017 A 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; and (ii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2017 A Bonds, simultaneously for deposit in the Series 2017 A Bonds Sinking Fund and in the Series 2017 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 2017 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 2017 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

Monies in the Series 2017 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2017 A Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2017 A Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2017 A Bonds Reserve Account Requirement Pending such use, such monies shall be invested in accordance with the Series 2017 A 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, and (ii) in the event that the Series 2017 A Reserve Policy is no longer in effect, simultaneously for deposit in the Series 2017 A Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2017 A Bonds Reserve Account below the Series 2017 A Reserve Account Requirement or any withdrawal from the Series 2017 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2017 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 2017 A Bonds Reserve Account is less than the Series 2017 A Bonds Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2017 A Bonds Reserve Account for deposit into the Series 2017 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 2017 A Bonds Reserve Account to an amount equal to the Series 2017 A Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided, however, that if the shortfall in the Series 2017 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 2017 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 2017 A Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal, respectively, to the Series 2017 A 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 2017 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 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 Combined Utility System shall be issued after the issuance of the Series 2017 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 of additions, betterments or improvements for the Combined Utility System, refunding all or a portion of one or more series of the Series 2017 A Bonds issued pursuant hereto, the Prior Bonds, and/or any series of Additional Parity Bonds hereinafter issued, paying claims which may exist against the revenues or facilities of the Combined Utility 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 Combined Utility 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 2017 A Bonds then Outstanding,

(2) The Prior Bonds then Outstanding,

(3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances and the Series 2017 A 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 Combined Utility 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 Combined Utility System on a parity with the Series 2017 A 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 2017 A 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 authorizing such Additional Parity Bonds required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Series 2017 A Ordinance and the Prior Ordinances

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 Gross 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 Gross Revenues with the Series 2017 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 Series 2017 A Ordinance and the other Prior Ordinances on account of the Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in the Series 2017 A Ordinance and the other Prior Ordinances, 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 Series 2017 A Ordinance and the Prior Ordinances 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 2017 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 2017 A Ordinance for the year being audited and the Issuer has, as required by the Series 2017 A Ordinance, enacted a rate ordinance changing the rates and charges for the Combined Utility System to comply with the Series 2017 A Ordinance, such statement in the most recent audit shall not be considered a violation of the covenants, agreements and terms of the Series 2017 A Ordinance, so as to prevent the Issuer from issuing Additional Parity Bonds under the Series 2017 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 the Bonds and any hereinafter issued Additional Parity Bonds See "OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM – Future Bond Issues" herein

Special Limited Obligations

The Series 2017 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 2017 A Bond shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2017 A Bonds or the interest or any premium thereon

SERIES 2017 A RESERVE POLICY

The Issuer has applied to, and executed commitments from, the Bond Insurer for the issuance, concurrently with the issuance of the Series 2017 A Bonds, of the Series 2017 A Reserve Policy Information regarding the Bond Insurer and the Series 2017 A Reserve Policy, specifically including "APPENDIX G – DESCRIPTION OF BOND INSURER" and "APPENDIX H – 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 DEBT SERVICE RESERVE INSURANCE POLICY" for a specimen of the Series 2017 A Reserve Policy, which should be read in its entirety.

Concurrently with the issuance of the Series 2017 A Bonds, the Bond Insurer will issue the Series 2017 A Reserve Policy for the Series 2017 A Bonds. The Series 2017 A Reserve Policy is issued in an amount equal to the Series 2017 A Reserve Requirement and is pledged to the Series 2017 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 county in north central West Virginia 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 2017 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 2017 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 2017 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, 2016 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.

MUB has provided bulk water sales and sewerage treatment under longstanding mutually beneficial arrangements with surrounding public utilities. MUB benefits from strong working relationships with these bulk customers, often providing other services such as repairs and billing. While MUB does not have long term contracts with these utilities, the practical constraints created by regulatory requirement, state utility regulation and the

economies of scale which MUB enjoys would make any other arrangement for these bulk customers difficult to realize.

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 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 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 the anticipated reimbursement will be 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 5 95% of their compensation MUB likewise contributes an actuarially determined share toward each employee account, currently at 13.23% 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 82.72% funded as of June 30, 2016 MUB's share of the unfunded pension liability as of June 30, 2016 was $7,500,000

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 As of the July 1, 2016 valuation, the remaining amortization period is 20 years

Of the 13.23% of payroll currently contributed by MUB, 6.91% goes toward the amortized unfunded liability. The remaining 6.32% 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.

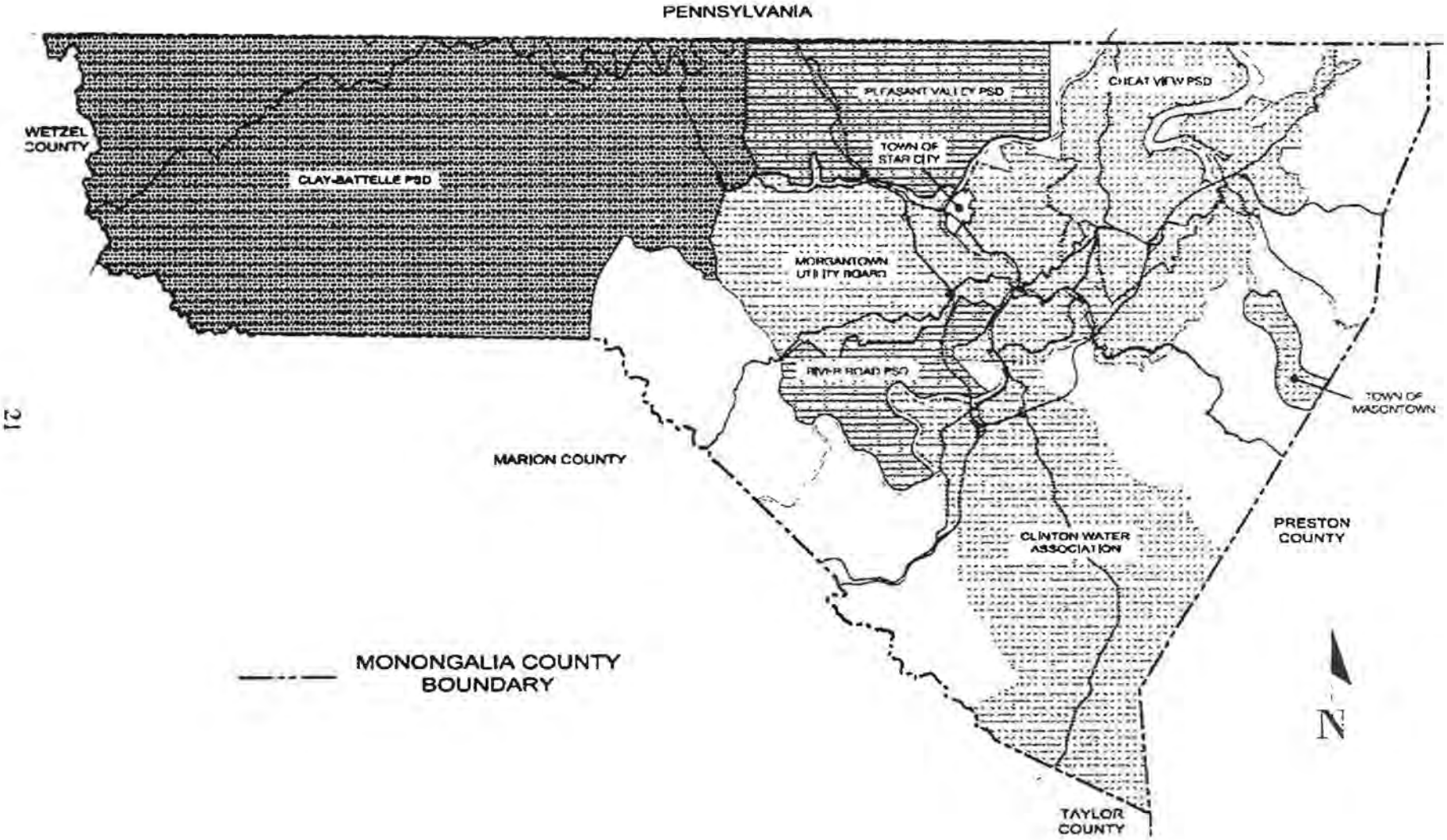
MUB Water System – Service Area

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
CHEAT VIEW PSD
MORGANTOWN UTILITY BOARD
RIVER ROAD PSD
TOWN OF MASONTOWN
MARION COUNTY
CLINTON WATER ASSOCIATION
PRESTON COUNTY
MONONGALIA COUNTY BOUNDARY
N
TAYLOR COUNTY

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 fiscal years indicated.

MUB Water Resale Customers – Resale Customer Count*

Resale Customer	*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 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 primary wastewater treatment plant located in Star City (the "Star City WWTP") which has a 12 million gallon per day (MGD) capacity, 53 lift stations, and 40 combined sewer outfalls The Series 2016 A Bonds, the Series 2016 B-1 Bonds and the Series 2016 B-2 Bonds were issued on December 1, 2016, to finance the costs of design, acquisition, construction and equipping of a project to upgrade the Star City WWTP (the "2016 Sewer System Project") The 2016 Sewer Project will increase treatment capacity at the Star City WWTP to 20 8 MGD and is expected to be completed in _____

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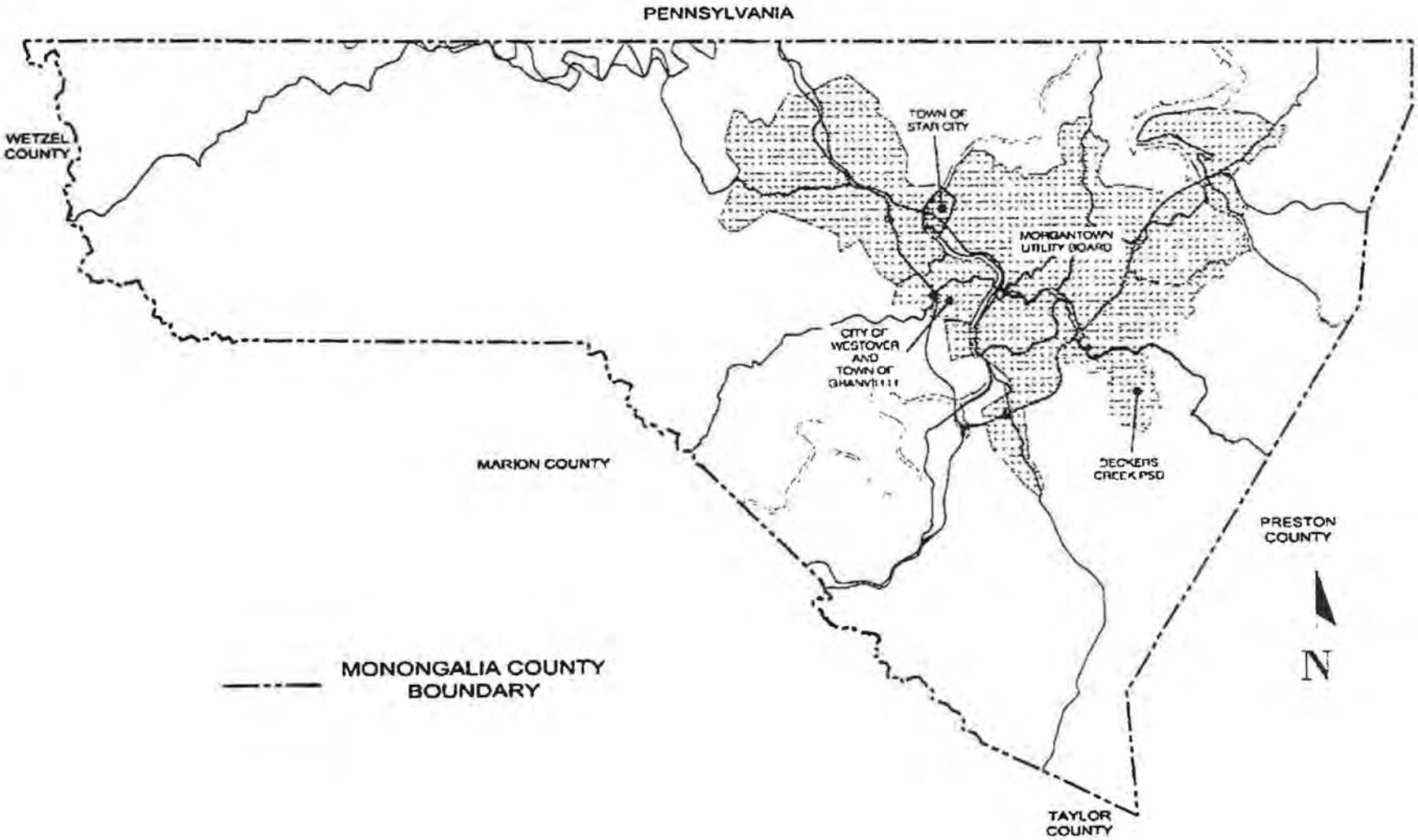
PENNSYLVANIA
WETZEL COUNTY
TOWN OF STAR CITY
MORGANTOWN UTILITY BOARD
CITY OF WESTOVER AND TOWN OF GRANVILLE
DECKERS CREEK PSD
MARION COUNTY
PRESTON COUNTY
TAYLOR COUNTY
N
MONONGALIA COUNTY BOUNDARY

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 Sewer Resale Customers for the fiscal years indicated

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 from Sewer Resale Customers represented 6.13% of the Sewer System Gross Revenue.

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

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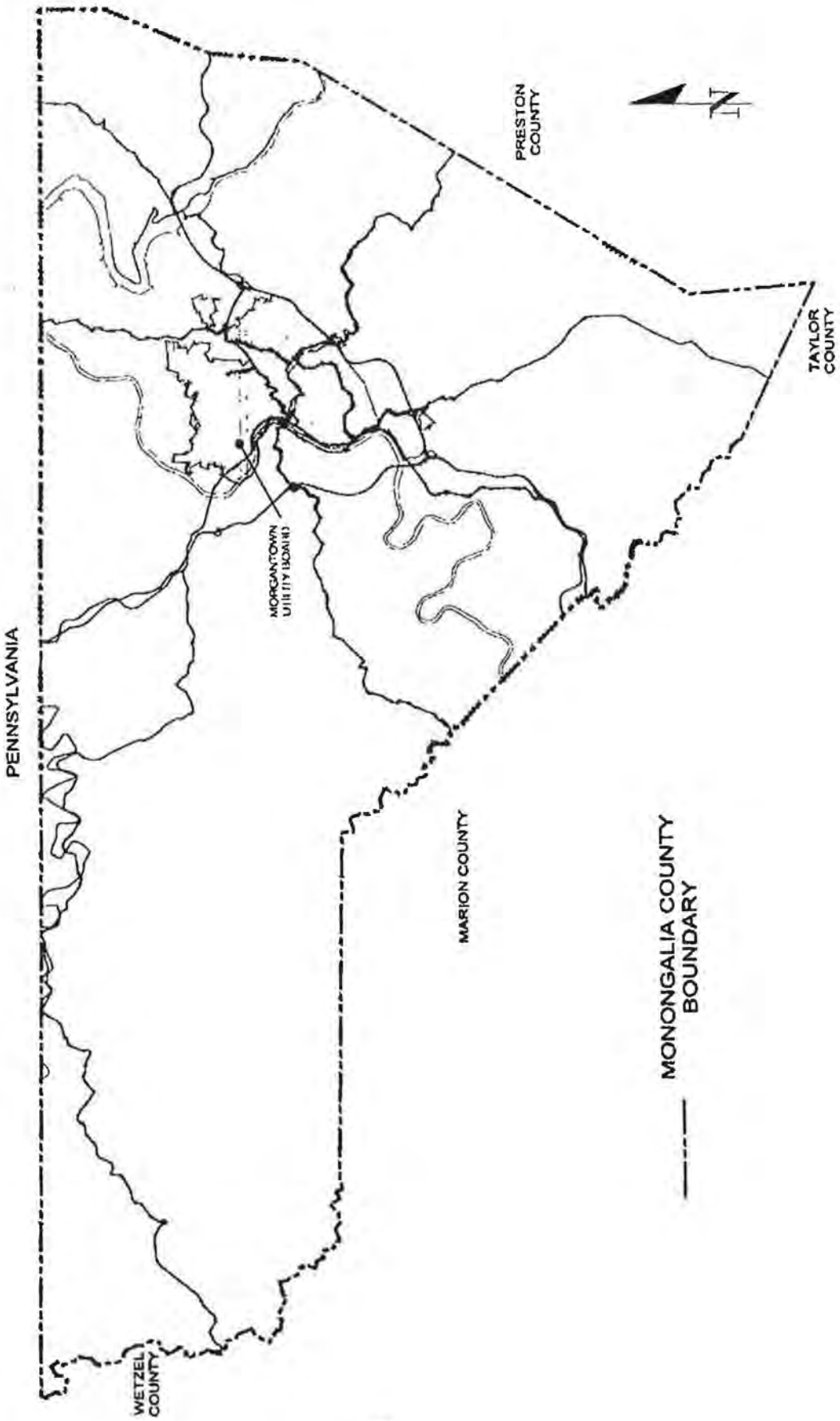
PENNSYLVANIA
WETZEL COUNTY
MARION COUNTY
MORGANTOWN UTILITY BOARD
PRESTON COUNTY
TAYLOR COUNTY
N
MONONGALIA COUNTY BOUNDARY

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 West Virginia Department of Environmental Protection ("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 2016 Sewer System 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 Long Term Control Plan ("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 2016 Sewer System Project. DEP has approved the plans and specifications and the related NPDES permit modification for the 2016 Sewer System 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 – financed as a portion of the 2016 Sewer System Project at a cost of $_____ (estimated $_____ in LTCP).
  - Popenoe Run Interceptor replacement – financed as a portion of the 2016 Sewer System Project at a cost of $1,600,000 (estimated $6,000,000 in LTCP)

- Group 2 – 2025 completion
  - Star City WWTP upgrade Phase 2 at $21,000,000.*
  - (Since the 2014 LTCP, portions of the Star City WWTP upgrade Phase 2 have been included in the 2016 Sewer System Project

- 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 Maintenance Overview.

MUB has a structured maintenance program which focuses on ensuring the expected useful life of equipment throughout the Combined Utility System. A computerized maintenance management system is utilized to track and document preventative maintenance, predictive maintenance and unplanned repair activities. A computerized purchasing and inventory control system is utilized.

Asset Management Plan Overview

MUB maintains an Asset Management Plan which is updated on an annual basis to reflect depreciation, replacement and upgrades of existing assets, as well the inclusion of new assets. The purposes of the Asset Management Plan are to (i) ensure the maximum reasonable useful life from assets; (ii) reduce the occurrence of lost service through anticipatory replacement, repair or improvement of assets; and (iii) support optimal decision-making through consistent life-cycle costing and renewal and replacement planning.

Community Outreach and Support

The Project required an 87.5% sewer rate increase to fund the debt service of the Series 2016 A Bonds and the Series 2016 B Bonds. Similarly, a 33% water rate increase was necessary to fund the debt service of the pending Series 2017 A Bonds. The best evidence of public support for the rate increases is that they were unanimously approved by City Council on February 2, 2016 and went into effect on July 1, 2016.

The approved rate increases equate to a 66% increase in the combined water/sewer bill of the average residential customer. Achieving public support and approvals of City Council for such a significant increase was earned through an extensive and transparent public outreach campaign by MUB.

MUB made detailed presentations at seven (7) public meetings between September 29, 2015 and November 24, 2015, at which time both projects were described and MUB invited and received public input. Each of these meetings included open Q&A sessions that continued until every question of every attendee had been addressed. MUB also made the presentations and related project information available for download at its website.

In addition to the above outreach program, additional opportunities for Q&A and public input were provided at monthly MUB Board meetings from October 2015 through January 2016. Outreach was concluded with public comment opportunities during the City Council deliberations on January 5, January 19, and February 2, 2016, including a formal public hearing on February 2, 2016.

These extraordinary outreach efforts and the merits of both projects and the related rate increase were topics of several supportive editorials in the Dominion Post (the primary newspaper of the region). The editorials voiced full support for the proposed projects and related rates; have cited MUB's outreach as a model for other utilities and public agencies, and most recently have praised the quality of MUB's management as deserving the community's trust and respect.

MUB CAPITAL IMPROVEMENT PROGRAM

MUB utilizes an annually adopted five-year Capital Improvement Program ("CIP") to plan and manage the capital improvements necessary to fulfill its service mission, comply with regulatory requirements and preserve and upgrade each system within the Combined Utility System. MUB updates the CIP annually in conjunction with its budget process, based on detailed project review by engineering staff, external engineering consultants retained by MUB and senior management.

MUB CIP Management and Administration

Consulting engineering services are generally employed for the design of major projects. MUB's engineering department has fourteen (14) employees who design certain projects and review and coordinate the plans submitted by consulting engineers for others. Depending on the size and type of project, responsibility for design, bidding, construction management, and/or resident inspection may be provided by MUB engineers, consulting engineers, or a combination of both. All projects are scheduled and monitored under the direction of a licensed professional engineer. Overall project coordination and management is the responsibility of the General Manager and Assistant General Manager/Chief Engineer.

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, Gern, 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 approximately $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 2017 A Bonds:

Bond Issue	*Issue Date*	*Project*	*Original Issue Amount*	*Balance June 30, 2016*	*Approximate Annual Debt Service*	*Final Maturity*
2016 B-1	12/1/2016	Star City WWTP Project	$25,000,000	0.00		
2016 A	12/1/2016	Star City WWTP Project	$69,755,000	0.00		
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
			$	$	$	

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 and the Series 2017 A 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 2017 A*	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

* 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	15,523,128	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**	**-$834,157**	**$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**	**$8,859,834**	**$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**	**1.21x**	**1.85x**	**1.34x**	**1.27x**	**1.23x**

* Projected
** 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

Capital Contribution for Costs of the Project

In order to finance the costs of the Project not to be paid from the proceeds of the Series 2017 A Bonds, MUB is contributing monies in the amount of $_____ from the Potable Water System of the Combined Utility System which are available therefore.

Prior Bonds

The Issuer has outstanding the following bonds which will rank on a parity with the Series 2017 A 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");

(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")

(19) Combined Utility System Revenue Bonds, Series 2016 A, of the Issuer, dated December 1, 2016, issued in the Original aggregate principal amount of $69,755,000 (the "Series 2016 A Bonds"), and

(20) Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $25,000,000 (the "Series 2016 B-1 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, Series 2015 E Bonds, Series 2016 A Bonds and the Series 2016 B-1 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 December 31, 2016, the Prior Bonds were outstanding in the amount of $_____ See chart contained in "DEBT SERVICE REQUIREMENTS – Existing Long-Term Debt of the Combined Utility System" herein.

The Issuer also has outstanding is Combined Utility System Revenue Bonds, Series B-2 (West Virginia SRF Program/Green), dated December 1, 2016, issued in the original aggregate principal amount of $500,000 (the "Series 2016 B-2 Bonds") the repayment of which is not secured by the Gross Revenues of the System. The outstanding principal amount of the Series 2013 B-2 Bonds which is advanced in each Fiscal Year is forgiven by the holder of the Series 2016 B-2 Bonds on the last day of such Fiscal Year. The Series 2016 B-2 Bonds do not bear any interest.

Future Bond Issues

The Issuer and MUB anticipate the issuance of bonds on a parity with the Series 2017 A 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.

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 WVIIDC 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 Scotts Run Sewer Extension Project has been included in the rates for the 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

> In 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

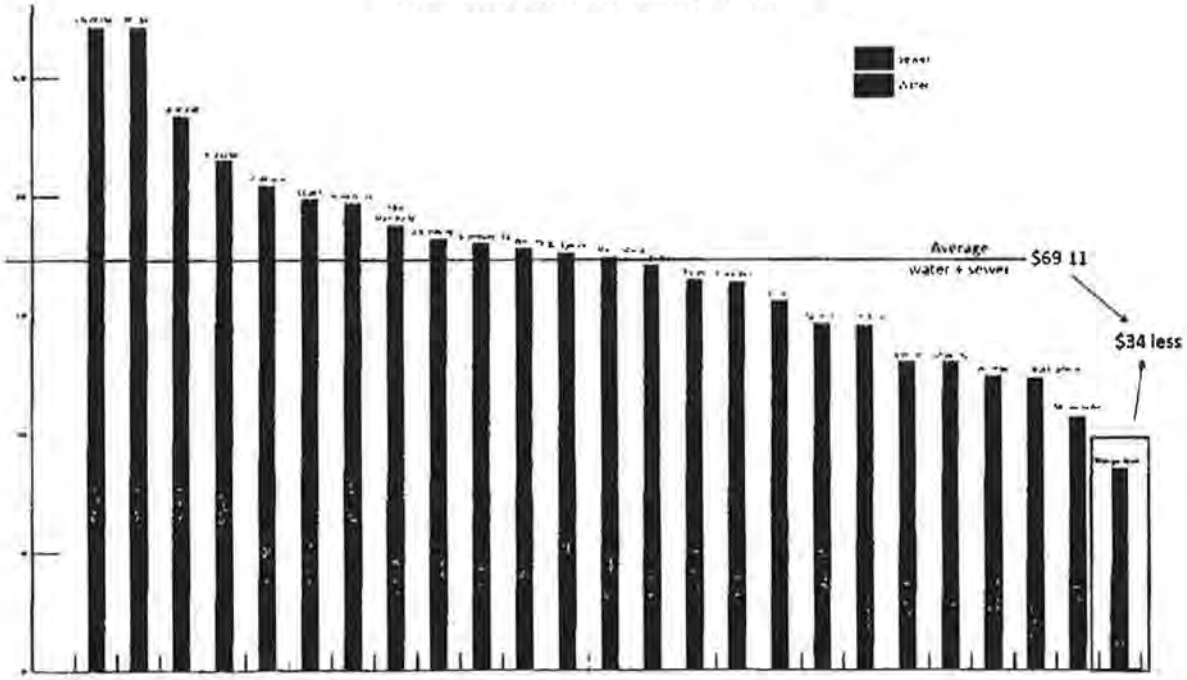
Date	Bill Amount (in Gallons) 4,500	200,000	Percent Increase
7/7/1995	$ 12.96	$ 576.00	
1/1/2001	$ 37.50	$ 1,281.50	189%
7/1/2014	$ 46.50	$ 1,589.06	24%

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:

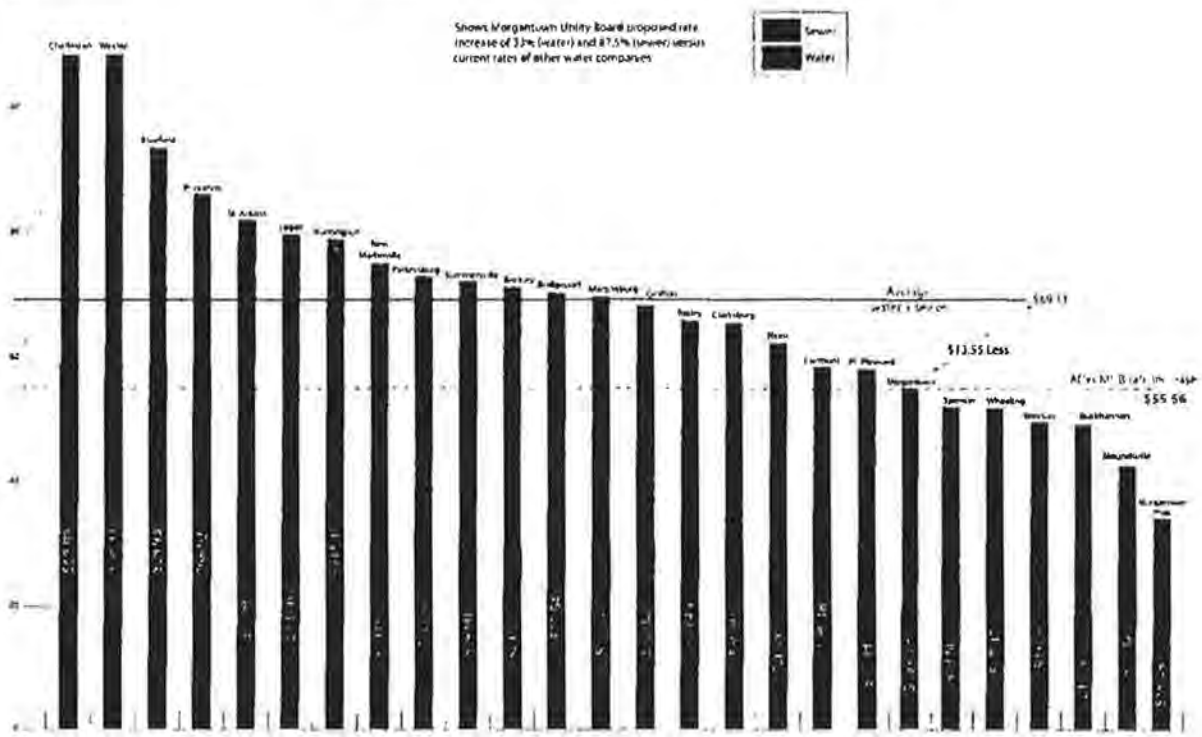
- Sustained customer growth
- Sustained system growth by both system extensions and acquisitions
- Investment income
- Rents and leases
- Additional revenues earned by sale of services to other utilities, including
  - Operation and Maintenance
  - Billing and collection

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 sixth 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

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 2017 A Bonds or questioning or affecting the validity of the Series 2017 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 2017 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 2017 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 2017 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 2017 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 2017 A Ordinance or the Series 2017 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 2017 A Bonds, as well as the Series 2010 A Bonds, the Series 2010 F Bonds, the Series 2012 C Bonds, and the Series 2016 A 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 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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 2017 A Ordinance and the Tax Certificate relating to the Series 2017 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 2017 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 2017 A Bonds will be selected for audit by the IRS. It is also possible that the market value of the series 2017 A Bonds might be affected as a result of such an audit of the Series 2017 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 2017 A Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Series 2017 A Bonds or their market value.

Special Considerations with Respect to the Series 2017 A Bonds

The accrual or receipt of interest on the Series 2017 A Bonds may otherwise affect the federal income tax liability of the owners of the Series 2017 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 2017 A Bonds. (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2017 A Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series 2017 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 2017 A Bonds, (iii) interest on the Series 2017 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 2017 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 2017 A Bonds, and (vi) receipt of investment income, including interest on the Series 2017 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 2017 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 2017 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 2017 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 2017 A Bonds or the tax consequences of ownership of the Series 2017 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 2017 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 2017 A Bonds, and, if enacted, could also affect the tax treatment of all or a portion of the interest on the Series 2017 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 2017 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 2017 A Bonds or the market value thereof would be impacted thereby Purchasers of the Series 2017 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 2017 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 2017 A Bonds maturing on _____ 1, 20__, _____ 1, 20__ and _____ 1, 20__ (the "Series 2017 A Discount Bonds"), were sold with OID For federal income tax purposes, OID accrues to the owner of a Series 2017 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 2017 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 2017 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 2017 A Discount Bond A purchaser of a Series 2017 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 2017 A Discount Bond

Owners of Series 2017 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 2017 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 2017 A Bonds maturing on _____ 1, 20__, _____ 1, 20__ and _____ 1, 20__ (the "Series 2017 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 2017 A Premium Bonds" or their earlier call date in the case of the "Series 2017 A Callable Premium Bonds." The difference between the principal amount payable at maturity of the Series 2017 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 2017 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 2017 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 2017 A Premium Bond. A purchaser of a Series 2017 A Premium Bond will be required to decrease his or her adjusted basis in the Series 2017 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 2017 A Premium Bond

Owners of Series 2017 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 accrueble in any period with respect to the Series 2017 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

S&P Global Ratings Services, a division of the McGraw-Hill Companies, Inc ("S&P") has assigned a rating of "A+" with respect to the Series 2017 A Bonds Moody's Investors Service, Inc ("Moody's") has assigned a rating of "A1" with respect to the Series 2017 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 2017 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 2017 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 2017 A Bonds. MUB has retained Public Financial Management, Inc as Financial Advisor in connection with various matters relating to the delivery of the Series 2017 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 2017 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 2017 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 2017 A Bonds to certain dealers (including dealers depositing Series 2017 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

Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. ("TMC") and UBS Financial Services Inc. ("UBSFS"). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Bonds.

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 Perry & Associates, Certified Public Accountants, A.C. 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 2017 A Bonds.

Copies of the Series 2017 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 2017 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 2017 A Bonds The Series 2017 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 2017 A Bond certificate will be issued for each maturity of the Series 2017 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 2017 A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017 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 2017 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 2017 A Bonds, except in the event that use of the book-entry system for the Series 2017 A Bonds is discontinued

4. To facilitate subsequent transfers, all Series 2017 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 2017 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 2017 A Bonds, DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 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 2017 A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017 A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2017 A Bonds documents. For example, Beneficial Owners of Series 2017

A Bonds may wish to ascertain that the nominee holding the Series 2017 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 2017 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 2017 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 2017 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 2017 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 2017 A Bonds purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Series 2017 A Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2017 A Bonds, on DTC's records, to Tender/Remarketing Agent. The requirement for physical delivery of Series 2017 A Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2017 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 2017 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 2017 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 2017 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 2017 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 2017 A (the "Series 2017 A Bonds").

The Series 2017 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 December ___, 2016 and a Certificate of Determinations executed by the Mayor on _____, 2017 (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 2017 A Bonds are issued in fully registered form, are dated _____, 2017, mature on _____ 1 in the years and amounts and bear interest payable each _____ 1 and _____ 1, commencing _____ 1, 201__, all as set forth in the Ordinance.

The Ordinance provides that the Series 2017 A Bonds are issued for the purpose of: (i) financing, along with 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 potable water supply, treatment, storage and distribution portion of the Combined Utility System of the City, (ii) funding the Series 2017 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Series 2017 A Reserve Policy") from Assured Guaranty Municipal Corp ("AGM" or the "Bond Insurer"); and (iii) paying costs of issuance of the Series 2017 A Bonds and related costs.

The Series 2017 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 2017 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 2017 A Bonds; and has issued and delivered the Series 2017 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 2017 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 2017 A Bonds. The Series 2017 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 2017 A Bonds of said issue, and in our opinion, said Series 2017 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 2017 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 2017 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 2017 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 2017 A Bonds Prospective purchasers of the Series 2017 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 2017 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 2017 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 2017 A Bonds to be includable in gross income retroactive to the date of issuance of the Series 2017 A Bonds.

7. Under the Act, the Series 2017 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 2017 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 2017 A Bonds, to register any securities under said Securities Acts.

It is to be understood that the rights of the holders of the Series 2017 A Bonds and the enforceability of the Series 2017 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 2017 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

APPENDIX E

FORM OF SERIES 2017 A BOND ORDINANCE

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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 the duly appointed and acting City Manager of the City (the "City Manager") or the City Manager's 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 as summarized on Exhibit D – FORM OF OPERATING DATA.

(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); provided, however, that obligations of the Issuer shall be governed by, and construed and interpreted in accordance with, the laws of the State of West Virginia

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 2017 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:	_____
CUSIP Number:	_____	CUSIP Number	_____
CUSIP Number:	_____	CUSIP Number:	_____
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 2017 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

EXHIBIT D
FORM OF OPERATING DATA

The City of Morgantown

Combined Utility System Revenue Bonds, CUSIP 61759 CA

OPERATING DATA FOR FISCAL YEAR ENDED JUNE 30, 2016

In compliance with the requirements of the Continuing Disclosure Agreements executed by The City of Morgantown (West Virginia) in conjunction with the bonds issued with the above-referenced CUSIP, the following Operating Data with respect to the Combined Utility System operated, maintained and managed by the Morgantown Utility Board ("MUB") is provided for the above-stated Fiscal Year:

MUB Combined Utility System Retail Customer History

The average number of retail customers for the Combined Utility System for each of 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 – 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 MUB 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

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 – 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

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**

* 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.

MUB Sewer Resale Customers

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

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 from the MUB Sewer Resale Customers represented 6.13% of the Sewer System Gross Revenue.

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 Stormwater System Gross Revenue.

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	15,523,128	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**	**-$834,157**	**$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**	**$8,859,834**	**$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**	**1.21x**	**1.85x**	**1.34x**	**1.27x**	**1.23x**

* Projected

APPENDIX G

DESCRIPTION OF BOND INSURER

APPENDIX H

SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

Water Reservoir Project (Public Issue with IJDC Issue)

THE CITY OF MORGANTOWN, WEST VIRGINIA

AN ORDINANCE AUTHORIZING THE DESIGN ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE POTABLE WATER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, The City of Morgantown (the "Issuer" or the "City") presently owns and operates, through The City of Morgantown Utility Board (the "Board"), a public combined waterworks, sanitary sewerage and stormwater system (collectively, the "Combined Utility System," as hereinafter further described) and has heretofore financed the design, acquisition, construction and equipping 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 design, acquire, construct and operate extensions, additions, betterments and improvements for the Combined Utility System;

WHEREAS, the Issuer has determined the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the raw water supply and storage, water treatment, treated water storage and distribution system for potable water (the "Potable Water System"), specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir, and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements of certain water treatment plant assets, distribution lines, pump stations and storage tanks, and all necessary appurtenances, as determined by the Board (collectively, the "Project"), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined to finance all or a portion of the costs of the Project through the issuance of its The City of Morgantown, Combined Utility System Revenue Bonds, Series 2017 A, in the aggregate principal amount of not more than $50,000,000 (the "Series 2017 A Bonds");

WHERESAS, the Issuer may finance a portion of the costs of the Project through the issuance of its The City of Morgantown, Combined Utility System Revenue Bonds, Series 2017 B (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $20,000,000 (the "Series 2017 B Bonds" and, collectively with the Series 2017 A Bonds, the "Series 2017 Bonds"), the issuance of which is authorized by the enactment by the City Council of the Issuer of an Ordinance contemporaneously herewith (the "Series 2017 B Ordinance");

WHEREAS, the Issuer has determined to enact this Ordinance to authorize the issuance of the Series 2017 A Bonds (the "Series 2017 A Ordinance"), such Series 2017 A Bonds to have such security and such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, Series 2017 A Bonds will be issued on a parity with the Series 2017 B Bonds (if issued), the Prior Bonds and any Additional Parity Bonds (as hereinafter defined) with respect to their lien on and security interest in the Gross Revenues of the Combined Utility System, and the Series 2017 A Bonds shall contain such other terms and provisions as are hereinafter provided, all in the manner set forth herein; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City that its Series 2017 A Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, hereinafter defined;

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

ARTICLE I
DEFINITIONS, STATUTORY AUTHORITY, FINDINGS

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

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2017 A Bonds.

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

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

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

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

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

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

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2017 A Bonds, shall initially mean the bond insurer, if any, named in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Series 2017 A Bonds.

"Bond Year" means with respect to each series of Series 2017 A Bonds the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2017 A Bonds, the Series 2017 B Bonds (if issued), the Prior Bonds and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2017 A Bonds in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS," attached hereto.

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

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2017 A Bonds for the proceeds representing the original purchase price thereof.

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

"Combined Utility System" means, collectively, the Potable Water System, the Sewer System and the Stormwater System of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, betterments and improvements hereafter acquired, constructed and/or equipped for the Potable Water System, the Sewer System or the Stormwater System, both within, and outside of, the Issuer's corporate boundaries.

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

"Consulting Engineers" means any independent licensed Professional Engineer or Engineers or firm or firms of Licensed Professional Engineers, that shall at any time now or hereafter be retained by the Board as Consulting Engineers for the Combined Utility System, or any portion thereof.

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

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

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

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

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

"DTC-eligible" means, with respect to the Series 2017 A Bonds, meeting the qualifications prescribed by DTC.

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

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

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

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the 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).

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by any Bond Insurer simultaneously with the delivery of the Series 2017 A Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2017 A Bonds, in accordance with the terms thereof.

"Municipal Bond Debt Service Reserve Insurance Policy" means a municipal bond debt service reserve policy and may subsequently mean, a letter of credit, surety bond or other financial instrument which is pledged to the Series 2017 A Bonds Reserve Account in the amount of the Series 2017 A Bonds Reserve Requirement.

"Net Proceeds" means the face amount of the Series 2017 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and less proceeds deposited in the Series 2017 A Bonds Reserve Account, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2017 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses (hereinafter defined).

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2017 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 2017 A Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance 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 Combined Utility System, fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds,

taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

"Original Purchaser" means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2017 A Bonds directly from the Issuer, as determined by a resolution supplemental hereto.

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

"Paying Agent" means, initially, the West Virginia Municipal Bond Commission and any other paying agent for the Series 2017 A Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"Potable Water System" means, collectively the potable water production and distribution facilities of the Combined Utility System, which specifically includes, but is not limited to, the Issuer's raw water supply, storage and transmission, water treatment, and treated water storage and distribution, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further additions, betterments and improvements thereto hereafter acquired, constructed and/or equipped for the Potable Water System both within, and outside of, the Issuer's corporate boundaries.

"Prior Bonds" means, collectively, the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2013 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 A Bonds and Series 2016 B-1 Bonds.

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

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

"Project" means the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the Potable Water System, specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements, as determined by the Board, of certain water treatment plant assets, distribution lines, pump stations and storage tanks and all necessary appurtenances.

"Purchase Price" for the purpose of computation of the Yield of the Series 2017 A Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2017 A Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2017 A Bonds of each maturity is sold or, if the Series 2017 A Bonds are privately placed, the price paid by the first buyer of the Series 2017 A Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2017 A Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2017 A Bonds.

"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.

"Record Date" means the date or dates which shall be so stated in the Series 2017 A Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

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

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2017 A Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Series 2016 A Bonds" means the Combined Utility System Revenue Bonds, Series 2016 A, of the Issuer, dated December 1, 2016, issued in the aggregate principal amount of $69,755,000.

"Series 2016 B-1 Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), of the Issuer, dated December 1, 2016, issued in the aggregate principal amount of $25,000,000.

"Series 2016 B-2 Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green), of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $500,000. Pursuant to the terms and conditions of the Series 2016 B-2 Bonds, the outstanding principal of the Series 2016 B-2 Bonds is forgiven by the holder thereof on the last day of the Fiscal Year in which such principal is advanced. No repayment of any principal of the Series 2016 B-2 Bonds will occur and the Series 2016 B-2 Bonds do not bear any interest. The Series 2016 B-2 Bonds are not secured by any lien on the Gross Revenues of the Combined Utility System.

"Series 2017 Bonds" means, collectively, the Series 2017 A Bonds and, if issued, the Series 2017 B Bonds.

"Series 2017 A Bonds" means the Combined Utility System Revenue Bonds, Series 2017 A of the Issuer, authorized to be issued in the aggregate principal amount of not more than $50,000,000 pursuant to this Ordinance and the Supplemental Resolution.

"Series 2017 A Bonds Construction Fund" means the Series 2017 A Bonds Construction Fund created by Section 4.01 hereof.

"Series 2017 A Bonds Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2017 A Bonds Redemption Account" means the Redemption Account created in the Series 2017 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2017 A Bonds Reserve Account" means the Series 2017 A Bonds Reserve Account created in the Series 2017 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2017 A Bonds Sinking Fund" means the Series 2017 A Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2017 B Bonds" means the Combined Utility System Revenue Bonds, Series 2017 B of the Issuer, which may be issued contemporaneously with the Series 2017 A Bonds in the aggregate principal amount of not more than $20,000,000 to pay a portion of the Costs of the Project.

"Series 2017 B Bonds Reserve Account" means the Series 2017 B Bonds Reserve Account created pursuant to the Series 2017 B Ordinance.

"Series 2017 B Bonds Sinking Fund" means the Series 2017 B Bonds Sinking Fund created pursuant to the Series 2017 B Ordinance

"Sewer System" means, collectively, the sanitary sewerage collection and treatment facilities of the Combined Utility System which specifically includes, but is not limited to, collection lines, transmission mains, pump stations, man holes, and wastewater treatment plants, as presently existing in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereinafter acquired, constructed or equipped for the Sewer System, both within, and outside of, the Issuer's corporate boundaries.

"State" means the State of West Virginia.

"Stormwater System" means, collectively, the stormwater management and conveyance facilities of the Combined Utility System which specifically includes, but is not limited to, pipe, culverts, channels and watercourses, as presently existing in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereinafter acquired, constructed, or equipped for the Stormwater System, both within, and outside of, the Issuer's corporate boundaries.

"Supplemental Resolution" means, collectively, any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Supplemental Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Bond Insurer provisions (if any) and other terms of the Series 2017 A Bonds and authorizing the sale of the

Series 2017 A Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2017 A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

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

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

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

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

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

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

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

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

B. The Issuer presently owns and operates, through the Board, a public combined potable waterworks, sanitary sewerage, and stormwater Combined Utility System. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the potable water supply for all customers of the Combined Utility System, that there be acquired and constructed certain extensions, additions, betterments and improvements to the Potable Water System of the Combined Utility System, specifically the Project.

C. It is deemed necessary for the Issuer to issue its Combined Utility System Revenue Bonds, Series 2017 A, in the aggregate principal amount of not more than $50,000,000, to permanently finance all or a portion of the costs of design, acquisition, construction and equipping of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2017 A Bonds prior to and during acquisition, construction and/or equipping and for a period not exceeding 6 months after completion of acquisition, construction and equipping of the Project; amounts which may be deposited in the Series 2017 A Bonds Reserve Account; underwriter's discount, engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses; commitment fees; the premium for a Municipal Bond Insurance Policy; the premium for a Municipal

Bond Debt Service Reserve Insurance Policy; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2017 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the design, acquisition, construction and equipping of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2017 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

D. The period of usefulness of the Combined Utility System after completion of the Project is not less than 40 years.

E. It is in the best interests of the Issuer that the Series 2017 A Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by Supplemental Resolution of the Issuer.

F. There are or will be outstanding obligations of the Issuer which will rank on a parity with the Series 2017 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Series 2017 B Bonds (if issued), Prior Bonds and any hereinafter issued Additional Parity Bonds, as provided in this Ordinance.

Prior to the issuance of the Series 2017 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Series 2017 B Bonds (if issued) and the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, the Series 2016 B-1 Bonds and the Series 2017 B Bonds (if issued) to the issuance of the Series 2017 A Bonds on a parity with the Series 1992 Bonds, Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 B-1 Bonds and Series 2017 B Bonds (if issued). The Series 2010 A Bonds, Series 2010 F Bonds, Series 2012 C Bonds, Series 2014 B Bonds and Series 2016 A Bonds do not require written consent from the holders thereof.

Other than the Series 2017 B Bonds (if issued) and the Prior Bonds, there are no other presently outstanding bonds or obligations of the Issuer which are secured by Gross Revenues or assets of the Combined Utility System. The Issuer is in compliance with all the covenants of the Series 2017 B Bonds, the Prior Bonds and the Prior Ordinances.

G. The Issuer intends to issue the Series 2017 A Bonds, and to pledge for payment thereof, the Gross Revenues of the Combined Utility System, on a parity with one another and on a parity with such pledge in favor of the Holders of the Series 2017 B Bonds (if issued), the Prior Bonds and any hereinafter issued Additional Parity Bonds.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the Combined Utility System will be sufficient to provide for the repair, maintenance and operation of the Combined Utility System, to pay the principal of and interest on the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and the Prior Bonds as and when it becomes due and

reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2017 A Bonds, and secure the Series 2017 A Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the Combined Utility System, the monies in the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, unexpended proceeds of the Series 2017 A Bonds and as further set forth herein.

J. The Series 2017 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS" attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K. All things necessary to make the Series 2017 A Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2017 A Bonds, will be timely done and duly performed.

L. The enactment of this Ordinance, the execution and issuance of the Series 2017 A Bonds and the amendment, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. Prior to construction, the Issuer will have complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the Combined Utility System and issuance of the Series 2017 A Bonds including but not limited to Chapter 24, Article 2, Paragraph 11 (l).

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2017 A Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Series 2017 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2017 A Bond and any other Series 2017 A Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01 Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not more than $52,000,000, of which up to $50,000,000 will be obtained from the proceeds of the Series 2017 A Bonds, up to $20,000,000 may be obtained from the proceeds of the Series 2017 B Bonds (if issued) and up to $2,000,000 may be obtained from funds of the Combined Utility System available for such purpose.

ARTICLE III
THE SERIES 2017 A BONDS

Section 3.01 Form and Payment of Bonds. No Series 2017 A Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2017 A Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2017 A Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2017 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2017 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 2017 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 2017 A Bonds shall be in default, Bonds issued in exchange for Series 2017 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 2017 A Bonds surrendered.

The principal of, and the interest and premium, if any, on, the Series 2017 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2017 A Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2017 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2017 A Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Series 2017 A Bond in the principal amount of said Series 2017 A Bond then Outstanding.

Section 3.02. Execution of the Series 2017 A Bonds. The Series 2017 A Bonds shall be executed in the name of the Issuer by the Mayor, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2017 A Bonds shall cease to be such officer of the Issuer before the Series 2017 A Bonds so signed and sealed have been actually sold and delivered, such Series 2017 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2017 A Bonds had not ceased to hold such office. Any Series 2017 A Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Series 2017 A Bonds shall hold the proper office in the City, although at the date of such Series 2017 A Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2017 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2017 A Bond, substantially in the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS" attached hereto and incorporated herein by reference with respect to the Series 2017 A Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2017 A Bond shall be conclusive evidence that such Series 2017 A Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any

Series 2017 A Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2017 A Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2017 A Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2017 A Bonds, in accepting any of said Series 2017 A Bonds, shall be conclusively deemed to have agreed that such Series 2017 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2017 A Bonds shall further be conclusively deemed to have agreed that said Series 2017 A Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2017 A Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2017 A Bonds. The Series 2017 A Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2017 A Bond, there shall be issued at the option of the Holder of the Series 2017 A Bonds or the transferee another Series 2017 A Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Series 2017 A Bond and of the same series, interest rate and maturity of said transferred Series 2017 A Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2017 A Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Series 2017 A Bonds, of the same maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2017 A Bond is exercised, Series 2017 A Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2017 A Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2017 A Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2017 A Bonds, the Registrar may impose a service charge. For every such transfer or exchange of Series 2017 A Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2017 A Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2017 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Series 2017 A Bond of like series, maturity and principal amount as the Series 2017 A Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Series 2017 A Bond, or in lieu of and substitution for the Series 2017 A Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the

Registrar proof of his ownership thereof and that said Series 2017 A Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2017 A Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Series 2017 A Bond shall have matured or be about to mature, instead of issuing a substitute Series 2017 A Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Series 2017 A Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Series 2017 A Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2017 A Bonds be at any time found by any one, and such duplicate Series 2017 A Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued as part of the Series 2017 A Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2017 A Bonds Redemption Account in accordance with Section 4.03 shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2017 A Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

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

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

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2017 A Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued

interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2017 A Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2017 A Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2017 A Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer and the registered owner of the Series 2017 A Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2017 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

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

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all Outstanding Series 2017 A Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2017 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 2017 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 2017 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 2017 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is conditioned on, and 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 2017 A Bonds called for redemption of such fact and no holder of any Series 2017 A Bonds shall have any claim of any type, of law or inequity, against the Issue.

Official notice of redemption having been given as aforesaid, the Series 2017 A Bonds, or portions of the Series 2017 A Bonds so to be redeemed, shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2017 A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such Bond. All Series 2017 A Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2017 A Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Series 2017 A Bond is registered as the owner of such Series 2017 A Bond for the purpose of receiving payment of the principal of, and interest on, such Series 2017 A Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Series 2017 A Bond is overdue.

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

Section 3.10. Series 2017 A Bonds. For the purposes of paying all or a portion of the costs of the Project, capitalizing interest on the Series 2017 A Bonds, paying the premium for a Municipal Bond Insurance Policy, funding the Series 2017 A Bonds Reserve Account with proceeds of the Series 2017 A Bonds or paying the premium for a Municipal Bond Debt Service Reserve Insurance Policy, in an amount equal to the Series 2017 A Bonds Debt Service Reserve Requirement and paying costs in connection with the issuance of the Series 2017 A Bonds, or any or all such purposes, there shall be issued the Series 2017 A Bonds of the Issuer, in an aggregate principal amount of not more than $50,000,000. Said Series 2017 A Bonds shall be designated "Combined Utility System Revenue Bonds, Series 2017 A" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in the Supplemental Resolution, and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2017 A Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2017 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2017 A Bonds shall be dated; shall be in such aggregate principal amount (not to

exceed $50,000,000); shall bear interest at such rate or rates, (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 40 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2017 A Bonds. A. The Series 2017 A Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2017 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2017 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2017 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2017 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2017 A Bond or any other evidence of ownership of the Series 2017 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2017 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2017 A Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2017 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2017 A Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of, or interest on, the Series 2017 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2017 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2017 A Bonds so redeemed, but DTC may retain such Series 2017 A Bonds and make an appropriate notation on the Series 2017 A Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2017 A Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2017 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2017 A Bonds, selecting the Series 2017 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2017 A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2017 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2017 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant

of any amount in respect of the principal or Redemption Price of or interest on the Series 2017 A Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2017 A Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2017 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2017 A Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2017 A Bonds. In either of such events (unless in the case described in clause (iii) above, the Issuer appoints a successor securities depository), the Series 2017 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2017 A Bonds.

Section 3.12. Delivery of Series 2017 A Bonds. A. The Issuer shall execute and deliver the Series 2017 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2017 A Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2017 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2017 A Bonds to DTC for the benefit of the Original Purchaser;

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

(4) The unqualified approving opinion upon the Series 2017 A Bonds by Bond Counsel; and

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

Section 3.13. Form of Series 2017 A Bonds. The definitive Series 2017 A Bonds shall be in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS" attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2017 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2017 A Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2017 A Bonds. Upon the issuance and delivery of the Series 2017 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2017 A Bonds from the date thereof to the date of delivery thereof, if any, shall be deposited in the Series 2017 A Bonds Sinking Fund and applied to payment of interest on the Series 2017 A Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2017 A Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer.

3. An amount of the proceeds of the Series 2017 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2017 A Bonds Reserve Account; provided, that to the extent the Series 2017 A Bonds Reserve Requirement is satisfied in whole or in part from a Municipal Bond Debt Serve Reserve Insurance Policy, proceeds of the Series 2017 A Bonds shall be (i) paid to the Bond Insurer, via wire transfer, in an amount equal to the premium for the Municipal Bond Debt Service Reserve Insurance Policy and (ii) deposited in the Series 2017 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2017 A Bonds Reserve Requirement.

4. The amount of Series 2017 A Bond proceeds which, together with other monies or securities deposited therein, shall be equal to the Costs of Issuance of the Series 2017 A Bonds shall be deposited with the Depository Bank in the Series 2017 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2017 A Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2017 A Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2017 A Bonds Construction Fund established in Section 4.01 hereof and applied to Costs of the Project. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2017 A Bonds from which such proceeds are derived.

5. The balance of Series 2017 A Bonds proceeds, if any, shall be deposited in the Series 2017 A Bonds Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Series 2017 A Bonds Construction Fund. Disbursements from the Series 2017 A Bonds Construction Fund, except for payment of Costs of Issuance of the Series 2017 A Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Issuer, shall be made only for design, acquisition, construction and equipping of the Project, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2017 A Bonds Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the direction of the Board.

ARTICLE IV
COMBINED UTILITY SYSTEM REVENUES; FUNDS AND ACCOUNTS

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

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

(2) Depreciation Fund (established by the Prior Ordinances);

(3) Operation and Maintenance Fund (established by the Prior Ordinances);

(4) Series 2017 A Bonds Construction Fund; and

(5) Series 2017 A Bonds Cost of Issuance Fund.

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

(1) Series 1992 Bonds Sinking Fund (established by Prior Ordinances);

(2) Series 1992 Bonds Reserve Account established by Prior Ordinances);

(3) Series 1995 Bonds Sinking Fund (established by Prior Ordinances);

(4) Series 1995 Bonds Reserve Account established by Prior Ordinances);

(5) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);

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

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

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

(9) Series 2001 A Bonds Sinking Fund (established by Prior Ordinances);

(10) Series 2001 A Bonds Reserve Account established by Prior Ordinances);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(46) Series 2016 B-1 Bonds Reserve Account (established Prior Ordinances);

(47) Series 2017 A Bonds Sinking Fund;

(48) Series 2017 A Bonds Reserve Account;

(49) Series 2017 B Bonds Sinking Fund (established by the Series 2017 B Ordinance and provided the Series 2017 B Bonds are issued); and

(50) Series 2017 B Bonds Reserve Account (established by the Series 2017 B Ordinance and provided the Series 2017 B Bonds are issued).

Section 4.03. Combined Utility System Revenues and Application Thereof. So long as any of the Series 2017 A Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. 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 held by the Board and kept separate and distinct from all other funds of the Issuer, the Board and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to for payment of interest on the Series 1995 Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2016 A Bonds and Series 2016 B-1 Bonds; (ii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2017 A Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2017 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2017 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 2017 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2017 A Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund; and (iii) if the Series 2017 B Bonds are issued, the amount required by the Series 2017 B Ordinance to pay the interest, if any, on the Series 2017 B Bonds.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Sinking Funds for the Prior Bonds for the payment of principal of the Prior Bonds; (ii) for deposit in the Series 2017 A Bonds Sinking Fund (and in the Series 2017 A Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2017 A Bonds, a sum equal to 1/12th of the amount

(or 1/6th of the amount if the Series 2017 A Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2017 A Bonds on the next ensuing principal payment or mandatory Redemption Date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2017 A Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2017 A Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph; and (iii) if the Series 2017 B Bonds are issued, the amount required by the Series 2017 B Ordinance to repay the principal of the Series 2017 B Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Reserve Accounts for the Prior Bonds; (ii) commencing 13 months prior to the first date of payment of principal of the Series 2017 A Bonds or upon completion of construction of the Project, whichever is earlier, if not fully funded upon issuance of the Series 2017 A Bonds, for deposit in the Series 2017 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2017 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2017 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2017 A Bonds Reserve Requirement; provided further, that if the amounts in the Series 2017 A Bonds Reserve Account, as a result of a decrease in value of the Series 2017 A Bonds Reserve Account below the Series 2017 A Bonds Reserve Account Requirement or any withdrawal from the Series 2017 A Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2017 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2017 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 2017 A Bonds Reserve Account is less than the Series 2017 A Bonds Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2017 A Bonds Reserve Account for deposit into the Series 2017 A Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2017 A Bonds Reserve Account to an amount equal to the Series 2017 A Bond Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2017 A Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2017 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 2017 A Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2017 A Bond Reserve Account Requirement; and (iii) if the Series 2017 B Bonds are issued, the amount required by the Series 2017 B Ordinance to be deposited in the Series 2017 B Bonds Reserve Account.

Amounts deposited in, or pledged to, the Series 2017 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2017 A Bonds when due, when amounts in the Series 2017 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

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

(5) The Issuer shall next, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2.5% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Ordinances and the Series 2017 B Ordinance so long as the Prior Bonds and the Series 2017 B Bonds, respectively, are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, or improvements or 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 Reserve Account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2017 A Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2017 A Bonds, if any, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. The monies on deposit in the Revenue Fund and the Renewal and Replacement Fund in excess of the sum insured by the FDIC shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of municipal funds under the laws of the State.

D. Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and any hereinafter issued Additional Parity Bonds all in accordance with the respective principal amounts then Outstanding.

ARTICLE V
INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer, through the Board, shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall, though the Board, sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer, through the Board, may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section (unless otherwise required by the Bond Insurer and as set forth in the Supplemental Resolution):

(A) Qualified Investments acquired for the Series 2017 A Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer, through the Board, shall, or shall cause the Bond Commission to, annually transfer from the Series 2017 A Bonds Reserve Account to the Series 2017 A Bonds Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2017 A Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2017 A Bonds Reserve Account an amount at least equal to the Series 2017 A Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2017 A Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If no longer funded with a Municipal Bond Debt Service Reserve Insurance Policy equal to the Series 2017 A Bonds Reserve Requirement and the amounts on deposit in the Series 2017 A Bonds Reserve Account shall, at any time, be less than the applicable Series 2017 A Bonds Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the respective sinking funds for the Prior Bonds and the Series 2017 A Bonds Sinking Fund and otherwise in accordance with Section 4.03(3).

(E) All amounts representing accrued and capitalized interest, if any, shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2017 A Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(F) Notwithstanding the foregoing, all monies deposited in the Series 2017 A Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the Issuer hereby instructs the Mayor to take all actions necessary for the Issuer to comply with the continuing disclosure agreement.

Section 5.03. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2017 A Bonds in such manner and to such extent as may be necessary, so that such Series 2017 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Series 2017 A Bonds) so that the interest on the Series 2017 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.04. Tax Certificate, Rebates, and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2017 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2017 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the Combined Utility System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefore. The Issuer at its expense may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.04. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.04 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2017 A Bonds from gross income for federal income tax purposes.

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2017 A Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2017 A Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2017 A Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. The Series 2017 A Bonds not to be Indebtedness of the Issuer. The Series 2017 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, the monies in the Series 2017 A Bonds Sinking Fund and all accounts therein, the unexpended proceeds of the Series 2017 A Bonds or monies in the Series 2017 A Bonds Construction Fund, if any, all as herein provided. No Holder or Holders of any Series 2017 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2017 A Bonds or the interest thereon.

Section 6.03. Series 2017 A Bonds Secured by Pledge of Gross Revenues and Monies in Series 2017 A Bonds Sinking Fund. The payment of the debt service of all of the Series 2017 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the Combined Utility System on a parity with one another and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds, the Series 2017 B Bonds (if issued) and hereinafter issued Additional Parity Bonds, and with respect to the Series 2017 A Bonds, all monies and securities in the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, to the extent necessary to make the payments required under Section 4.03. The Gross Revenues derived from the Combined Utility System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, the Series 2017 A Bonds herein authorized, the Series 2017 B Bonds (if issued) and any hereinafter issued Additional Parity Bonds, and to make the payments into the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, are pledged *pari passu* by the Issuer.

Section 6.04. Rates. Equitable rates or charges for the use of and service rendered by the Combined Utility System have been established all in the manner and form required by law. Copies of such rates and charges so established may be obtained from the Board by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the Combined Utility System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the 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 on the Series 2017 A Bonds and all other obligations secured by a lien on or payable from such Gross Revenues on a parity with the Series 2017 A Bonds, including the Prior Bonds, the Series 2017 B Bonds (if issued) and any hereinafter issued Additional Parity Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the Combined Utility

System within 120 days following a determination of an Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

The Issuer expressly reserves the right to reduce the rates for the Combined Utility System, whether approved or in effect as of the date of issuance of the Series 2017 A Bonds, in the event that, based on a certificate of an Independent Certified Public Accountant, after any such decrease in rates, the Issuer will meet the requirements of this Section 6.04 and is not in default under any other provision of any ordinance authorizing any bonds or other indebtedness secured by the Gross Revenues of the Combined Utility System.

Section 6.05. Completion of Project; Operation and Maintenance of the Combined Utility System. The Issuer will complete the Project as promptly as possible. The Issuer will maintain the Combined Utility System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of said Combined Utility System in the manner provided in this Ordinance.

The Issuer either has, or will, obtain all permits required by state and federal laws for the acquisition, construction and equipping of the Project.

Section 6.06. Sale of the Combined Utility System. So long as the Prior Bonds and the Series 2017 B Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the Combined Utility System, except as provided by the Prior Ordinances and the Series 2017 B Ordinance, respectively. Additionally, so long as the Series 2017 A Bonds are Outstanding, the Combined Utility System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the Combined Utility System shall be immediately remitted to the Bond Commission for deposit in the Series 2017 A Bonds Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Revenues of the 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 is not in excess of $1,000,000, the Board shall, in writing, determine that such property comprising a part of the Combined Utility System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be used for any lawful purpose of the Combined Utility System. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $1,000,000 but not in excess of $5,000,000, the Board shall first obtain the written approval of the Consulting Engineers that such property comprising a part of the Combined Utility System is no longer necessary, useful or profitable in the operation thereof, and the Board may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $1,000,000 and not in excess of $5,000,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of

such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the Combined Utility System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $5,000,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of (i) any applicable Bond Insurer, or (ii) if the Series 2017 A Bonds are not insured, the Holders, or their duly authorized representatives, of 60% in an amount of Series 2017 A Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer or the then Holders of the Series 2017 A Bonds for the disposition of the proceeds from the sale, lease or other disposition of such properties of the Combined Utility System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, payable from the Gross Revenues of the Combined Utility System which rank prior to, or equally, as to lien on and source of and security for payment from the Gross Revenues with the Series 2017 A Bonds, the Prior Bonds and the Series 2017 B Bonds (if issued); and all obligations hereafter issued by the Issuer payable from the Gross 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 Gross Revenues and in all other respects to the Series 2017 A Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2017 A Bonds, upon any of the income and revenues of the Combined Utility System pledged for payment of the principal of, and interest on the Series 2017 A Bonds in this Ordinance or upon the Combined Utility System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds and the Series 2017 B Bonds are outstanding the limitations on the issuance of parity obligations set forth in the Prior Ordinances and the Series 2017 B Ordinance, respectively, authorizing such bonds shall be applicable. In addition, no Additional Parity Bonds, as in this section defined, payable out of the Gross Revenues of the Combined Utility System shall be issued after the issuance of the Series 2017 A Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition, construction and/or equipping of additions, betterments and/or improvements for the Combined Utility System, refunding all or a portion of one or more series of the Series 2017 A Bonds, the Prior Bonds and/or the Series 2017 B Bonds (if issued), 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 Combined Utility 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 Combined Utility 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 2017 A Bonds then Outstanding;

(2) The Prior Bonds and Series 2017 B Bonds (if issued) then Outstanding;

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

(4) The Additional Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Additional Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such Additional Parity Bonds.

The Net Revenues actually derived from the 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 Accountant, as stated in a certificate, 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 Additional Parity Bonds.

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean evidence of indebtedness, specifically including, but not limited to, bonds and notes issued under the provisions and within the limitations of the Act and this section, payable from the Gross Revenues of the Combined Utility System on a parity with the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and the Prior Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the Combined Utility System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the Combined Utility System of which is subject to the prior and superior lien of the Series 2017 A Bonds, the Series 2017 B Bonds (if issued), the Prior Bonds and any theretofore issued Additional Parity Bonds on such Gross Revenues. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the Combined Utility 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 2017 A Bonds except in the manner and under the conditions provided in this section.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Series 2017 A Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the

date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in this Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2017 A Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense of the Combined Utility System, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the Combined Utility System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the Combined Utility System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Board and the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by public utilities of equivalent size with respect to works and properties similar to the Combined Utility System to protect the Issuer and the Board from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the ownership, management, operation and maintenance 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; provided, that the Board, with the review of an independent insurance consultant and the concurrence of the Issuer, may elect to self-insure.

C. 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 bonds will be filed with the Clerk of the County Commission of Monongalia County prior to commencement of acquisition, construction and/or equipping of any additions, extensions or improvements for the Combined Utility System in compliance with West Virginia Code, Section 38-2-39.

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

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F. FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Board 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.

The Issuer and/or 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 Issuer and/or 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.

If the Issuer or the Board determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer or the Board for the Combined Utility System, taking into consideration the costs and practices of other municipal utility systems of similar size and to the extent that such information is available. The Issuer and/or the Board may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer or the Board determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

Section 6.10. Services Rendered to the Board or Issuer. The Board will not render or cause to be rendered any free services of any nature by its Combined Utility System; and, in the event the Board, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself of any or all 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 Board, the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Board or the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the 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 6.11. Enforcement of Collections. The Issuer shall, through the Board, 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.

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the Combined Utility System.

Section 6.13. Books and Records. 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 Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the Combined Utility System. Any Holder of a Series 2017 A Bond 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 Board relating thereto.

The accounting system for the Combined Utility System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Board. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Board. The Board shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Board shall be reported to such agent of the Board as it shall direct.

The Issuer or the Board shall, at least once a year, cause the books, records and accounts of the Combined Utility System to be completely audited by an Independent Certified Public Accountant.

Section 6.14. Operating Budget. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the Combined Utility System during the succeeding Fiscal Year.

Section 6.15. Mandatory Connections. The mandatory use of the sanitary sewerage portion 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, and in order to assure the rendering harmless of sewage and waterborne waste matter produced or arising within the territory served by the sanitary sewerage portion of the Combined Utility System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the sanitary sewerage portion of the Combined Utility System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sanitary sewerage portion of the Combined Utility System.

Any such house, dwelling or building from which emanates sewage or waterborne waste matter and which is not so connected to the sanitary sewerage portion of the Combined Utility System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the residents of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2017 A 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 the issuance of the Series 2017 A Bonds and shall be on a parity with all series of the Series 2017 A Bonds and with the statutory mortgage lien in favor of the Holders of the Prior Bonds and the Series 2017 B Bonds (if issued).

Section 6.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2017 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2017 A Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2017 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or

5% of the interest due on the Series 2017 A Bonds during the terms thereof is, under the terms of such Series 2017 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2017 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Combined Utility System, or if the Series 2017 A Bonds are for the purpose of financing more than one project, a portion of the Combined Utility System, and shall not exceed the proceeds used for the governmental use of that portion of the Combined Utility System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2017 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2017 A Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2017 A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2017 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. Without limiting the generality of the foregoing, the Issuer agrees to comply with the provisions of the Tax Certificate, which are hereby incorporated herein. This covenant shall survive payment in full or defeasance of the Series 2017 A Bonds.

Section 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer may obtain a Municipal Bond Insurance Policy for all, or certain maturities, of the Series 2017 A Bonds. In the event such Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2017 A Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2017 A Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.19. Covenants Regarding the Municipal Bond Debt Service Reserve Insurance Policy. The Issuer intends to obtain a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2017 A Bonds Debt Service Reserve Account in an amount equal to the Series 2017 A Bonds Reserve Requirement. In the event such Municipal Bond Debt Service Reserve Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2017 A Bonds, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.20. Continuing Disclosure Agreement. The Issuer shall deliver a Continuing Disclosure Agreement, Dissemination Agent Agreement or Continuing Disclosure Certificate in form acceptable to the Original Purchaser, the form of which shall be approved by the Supplemental Resolution, sufficient to ensure compliance with Rule 15c2-12, as it may be amended from time to time, and the Mayor is authorized and directed to execute and deliver such Continuing Disclosure Agreement on behalf of the Issuer, with such changes as the Mayor shall approve, such approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by the Mayor. The Mayor and Clerk are further authorized to take all actions necessary for the Issuer to comply with the Continuing Disclosure Agreement.

Section 6.21 Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2017 A Bonds shall be and the same is hereby approved. The Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Mayor is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2017 A Bonds and as the Mayor may approve (the "Official Statement"). The execution of the Official Statement by the Mayor shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.22. Bond Purchase Agreement. The Series 2017 A Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2017 A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2017 A Bond; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or Supplemental Resolution or in the Series 2017 A Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Bond Insurer; or

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

(D) If the Series 2017 B Bonds are issued, default occurs with respect to the Series 2017 B Bonds or the Series 2017 B Ordinance; or

(E) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder (with the prior written consent of the applicable Bond Insurer) or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Series 2017 A Bonds, as applicable;

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute, all pro rata, with respect to the Prior Bonds, the Series 2017 B Bonds (if issued) and the Series 2017 A Bonds, in accordance with the respective principal amounts then Outstanding.

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

No waiver of any default or Event of Default hereunder by the Bondholders shall be made without the prior written consent of the applicable Bond Insurer or shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the Combined Utility System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Series 2017 A Bonds and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the Combined Utility System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of said Combined Utility System and shall hold, operate, maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Series 2017 A Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and

accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Gross Revenues of the Combined Utility System shall have been paid and made good, and all defaults under the provisions of this Ordinance and any Supplemental Resolution shall have been cured and made good, and all monies due hereunder or under any Supplemental Resolution have been paid in full, possession of the 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 Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the Combined Utility System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Holders of the Series 2017 A Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the Combined Utility System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the Combined Utility System, for the sole purpose of the protection of both the Issuer and the Holders of the Series 2017 A Bonds, and the curing and making good of any default under the provisions of this Ordinance, 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, mortgage or otherwise dispose of any assets of the Combined Utility System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Holders of the Series 2017 A Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee representing the Holders of the Series 2017 A Bonds shall consider the effect on the Holders of the Series 2017 A Bonds as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Holders of the Series 2017 A Bonds. In case any Holder of the Series 2017 A Bonds shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Holder of the Series 2017 A Bonds shall be restored to their former positions and rights hereunder, and all rights and remedies of such Holder of the Series 2017 A Bonds shall continue as if no such proceedings had been taken.

ARTICLE VIII
REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2017 A Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2017 A Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their

accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2017 A Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2017 A Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2017 A Bonds, the first exchange of Series 2017 A Bonds and the exchange of Series 2017 A Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2017 A Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2017 A Bonds, or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2017 A Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than sixty (60) days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within twenty (20) days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately; provided, that in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer or by the Holders of a majority in principal amount of the Series 2017 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the applicable Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided, that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a

receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2017 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within twenty (20) days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within forty-five (45) days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted, or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Series 2017 A Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The West Virginia Municipal Bond Commission shall initially serve as Paying Agent as required by the Act. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2017 A Bonds shall be and remain DTC-Eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from monies available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be

sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within thirty (30) days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All monies received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX
DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2017 A Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Gross Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2017 A Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2017 A Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2017 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2017 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2017 A Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Series 2017 A Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2017 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the

principal of and redemption premium, if any, and interest to become due on said Series 2017 A Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X
MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2017 A Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2017 A Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Holder of the Series 2017 A Bonds or other person, be amended, modified or supplemented in any manner which, in the written opinion of Bond Counsel, does not materially adversely affect the interests of the Holder of the Series 2017 A Bonds or any Bond Insurer; provided, that in the event any of the Series 2017 A Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Series 2017 A Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made (i) without the written consent of the Holders of 60% in aggregate principal amount of the Series 2017 A Bonds then Outstanding and affected thereby; or (ii) the Bond Insurer. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2017 A Bond without the express written consent of the Holder of such Series 2017 A Bond, nor reduce the percentage of Series 2017 A Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Series 2017 A Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Series 2017 A Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Series 2017 A Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Series 2017 A Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2017 A Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

ISSUER

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

With copy to:

Morgantown Utility Board
278 Greenbag Road

Morgantown, WV 26501
Attention: General Manager

REGISTRAR
[Name(s) and address(s) to be set forth in Supplemental Resolution]

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

DEPOSITORY BANK
[Name(s) and address(s) to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER
[Name(s) and address(s) to be set forth in Supplemental Resolution]

BOND INSURER
[Name(s) and address(es) to be set forth in the Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Council, the Board or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any of the Series 2017 A Bonds, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2017 A Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2017 A Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2017 A Bonds, the Bond Insurer and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headlines. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Dominion Post*, a newspaper published and having a general circulation in The City of Morgantown, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2017 A Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the ___ day of January, 2017, at 7:00 p.m., in the Council Chambers of the City Hall, Morgantown and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

[*Remainder of Page Intentionally Left Blank*]

Section 10.14. Effective Date. This Ordinance shall become effective following public hearing hereon in accordance with the Act.

First Reading:	December ___, 2016
Second Reading:	December/January ___, 2016/2017
Effective following Public Hearing held on:	January ___, 2017

THE CITY OF MORGANTOWN

_____
Mayor

[SEAL]

ATTEST:

_____
City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of THE CITY OF MORGANTOWN at a regular meeting of the City Council held on January ___, 2017, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in The City of Morgantown, the first publication having been not less than 10 days prior to such public hearing.

Dated this ____ day of _____, 2017.

[SEAL]

_____
City Clerk

EXHIBIT A – FORM OF SERIES 2017 A BONDS

[DTC Legend]

No. AR-_____

$_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
_____%	_____	_____	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2017 A Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2017 A Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2017 A Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2017 A Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a