



Office of the City Clerk

The City of Morgantown

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**AGENDA
MORGANTOWN CITY COUNCIL
REGULAR MEETING
MARCH 17, 2015
7:00 p.m.**

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PLEDGE TO THE FLAG**
4. **APPROVAL OF MINUTES:** Regular Meeting Minutes for March 3, 2015
5. **CORRESPONDENCE**
6. **PUBLIC HEARINGS:**
 - A. **AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE CITY OF MORGANTOWN FOR THE FY 2015-2016.**
7. **UNFINISHED BUSINESS:**
 - A. Consideration of **APPROVAL** of (**SECOND READING**) and (**ADOPTION**) of **AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE CITY OF MORGANTOWN FOR THE FY 2015-2016.**
 - B. **BOARDS AND COMMISSIONS**
8. **PUBLIC PORTION WHICH SHALL BE SUBJECT TO RULES ESTABLISHED BY COUNCIL AND ADOPTED BY RESOLUTION**
9. **SPECIAL COMMITTEE REPORTS**

10. **NEW BUSINESS:**

- A. Consideration of **APPROVAL** of (FIRST READING) of AN ORDINANCE AMENDING SECTION 129.05 OF THE CITY CODE PRESCRIBING RULES FOR PURCHASING, CONTRACTS, AND PUBLIC BIDDING.
- B. Consideration of **APPROVAL** of (FIRST READING) of AN ORDINANCE BY THE CITY OF MORGANTOWN, AND PURSUANT TO AUTHORITY GRANTED TO IT AS A HOME RULE MUNICIPALITY, CREATING A NEW SECTION 181.22 WITHIN ITS ADMINISTRATIVE CODE, AS THE SAME APPLIES TO A COURT TECHNOLOGY/MAINTENANCE FEE WHICH IS TO BE ASSESSED AGAINST MUNICIPAL COURT DEFENDANTS.
- C. Consideration of **APPROVAL** of (FIRST READING) of AN ORDINANCE BY THE CITY OF MORGANTOWN, AND PURSUANT TO AUTHORITY GRANTED TO IT AS A HOME RULE MUNICIPALITY, CREATING A NEW SECTION 1713.04 WITHIN ITS BUILDING AND HOUSING CODE, AS THE SAME APPLIES TO PROPERTY MAINTENANCE REQUIREMENTS AND ITEMS FALLING WITHIN THE DEFINITION OF UPHOLSTERED FURNITURE.
- D. Consideration of **APPROVAL** of A SUPPLEMENTAL RESOLUTION REFINANCING OF DEBT OF SCOTTS RUN PSD.

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

NEW BUSINESS:

- 1. Home Rule Amendment to Application

12. **REPORT FROM CITY CLERK:**

- 1. City election update

13. **REPORT FROM CITY ATTORNEY**

14. **REPORT FROM COUNCIL MEMBERS**

15. **EXECUTIVE SESSION:** Pursuant to WV Code Section 6-9A-4(2) (9) in order to discuss personnel matters.
16. **ADJOURNMENT**

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

REGULAR MEETING March 3, 2015: The regular meeting of the Common Council of the City of Morgantown was held in the Council Chambers of City Hall on Tuesday, March 3, 2015 at 7:00 p.m.

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

The Meeting was called to order by Mayor Selin.

APPROVAL OF MINUTES: The minutes of the February 3, 2015 and February 17, 2015 Regular Meetings were approved.

CORRESPONDENCE: Mayor Selin proclaimed March 2015 as Mayor's Challenge for Safer People and Safer Streets Month.

PUBLIC HEARING-AN ORDINANCE AMENDING THE FY 2014-2015 ANNUAL BUDGET OF THE CITY OF MORGANTOWN AS SHOWN IN THE REVISED BUDGET ATTACHED HERETO AND MADE A PART OF THIS ORDINANCE AS THE SAME APPLIES TO THE GENERAL FUND.

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

UNFINISHED BUSINESS:

AN ORDINANCE AMENDING THE FY 2014-2015 ANNUAL BUDGET OF THE CITY OF MORGANTOWN: The below entitled Ordinance was presented for second reading.

AN ORDINANCE AMENDING THE FY 2014-2015 ANNUAL BUDGET OF THE CITY OF MORGANTOWN AS SHOWN IN THE REVISED BUDGET ATTACHED HERETO AND MADE A PART OF THIS ORDINANCE AS THE SAME APPLIES TO THE GERNAL FUND.

After City Manager explanation, discuss by council, Motion by Shamberger, second by Fike, to adopt the above entitled Ordinance. Motion carried 7-0

BOARDS AND COMMISSIONS: The City Clerk updated Council on vacancies of Boards and Commissions.

PUBLIC PORTION:

Craig Walker, 400, FCX Lane, stated that he is the president of FCX Systems and told council the history of the FCX Company. He stated his frustrations about not being chosen to proceed with providing the unit at the airport and that a New York State company was chosen. He firmly spoke about local business being the core of The City's purchasing practice now and in the future.

SPECIAL COMMITTEE REPORTS: No reports

NEW BUSINESS:

AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE CITY OF MORGANTOWN FOR THE FY 2015-2016: The below entitled Ordinance was presented for first reading.

AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE CITY OF MORGANTOWN FOR THE FY 2015-2016.

Motion by Shamberger, second by Kaweck, to pass the above entitled Ordinance to second reading. After the City Manager explanation, Council Shamberger stated this Council faces an unprecedented challenge. She explained the budget has not increased for several years, while the demands on the city employees and services has increased as shown in the recent matrix results. She said The City's Charter provides us options as a "tool box" that we can use. She said if implemented these tools will enhance our public safety and welfare of all our resident by providing fire and police protection, transportation, and recreations services that our citizens require. Councilor Shamberger stated our City Manager has pointed out that our service B&O is currently the lowest in the greater Morgantown area at .55 per \$100. She said other municipalities in our area are at \$1.00 per \$100. She said if this was increase, these dollars could be used for enhancing police, transportation (including paving, traffic calming pedestrian safety), planning and code enforcement and recreation maintenance. She stated the Fire Service Fee has not increased for five years. Councilor Shamberger stated fire fees are set at a state limit of 80% cost of service-we are approximately at 50% of the total cost. She said increasing our fire service fee The City would be able to increase personnel for safety of our residents, invest in training and replace again fire equipment. She said it would also help us keep our insurance rates low. She stated I believe that we should also work with the County and state partners to reimburse the City for the services supported by the taxpaying city residents. She said in the future we should update our application process for non-profits to encourage them to submit development plans rather than to rely on the City taxpayers for support. She then concluded stating she would like to ask the City Manager to make a plan to increase revenues with existing taxes and/or fees by \$1.4 million dollars and bring ordinance to the COW for further discussion. Council members discussed budget line items and suggestions toward increasing revenue in the budget. Question was called, motion carried 7-0.

AN ORDINANCE PROVIDING FOR THE ZONING RECLASSIFICATION OF THE ONE (1) PARCEL OF REAL ESTATE IN THE FIRST WARD OF THE CITY OF MORGANTOWN: FROM B-1, NEIGHBORHOOD BUSINESS DISTRICT TO B-2, SERVICE BUSINESS DISTRICT BY AMENDING ARTICLE 1331 OF THE PLANNING AND ZONING CODE OF THE CITY OF MORGANTOWN AS SHOWN ON THE EXHIBIT HERETO ATTACHED AND DECLARED TO BE A PART OF THIS ORDINANCE AS IF THE SAME WAS FULLY SET FORTH HEREIN: The below entitled Ordinance was presented for first reading.

AN ORDINANCE PROVIDING FOR THE ZONING RECLASSIFICATION OF THE ONE (1) PARCEL OF REAL ESTATE IN THE FIRST WARD OF THE CITY OF MORGANTOWN FROM B-1, NEIGHBORHOOD BUSINESS DISTRICT TO B-2, SERVICE BUSINESS DISTRICT BY AMENDING ARTICLE 1331 OF THE PLANNING AND ZONING CODE OF THE CITY OF MORGANTOWN AS SHOWN ON THE EXHIBIT HERETO ATTACHED AND DECALRED TO BE A PART OF THIS ORDINANCE AS IF THE SAME WAS FULLY SET FORTH HEREIN.

After the City Manager explanation, suspended the rules to discuss and have questions answered by Chris Fletcher. Motion by Shamberger, second by Fike, to pass the above entitled Ordinance to second reading, motion carried 7-0.

AN ORDINANCE PROVIDING FOR THE ZONING RECLASSIFICATION OF EIGHTEEN (18) PARCELS OF REAL ESTATE IN THE THIRD WARD OF THE CITY OF MORGANTOWN FROM R-2, SINGLE- AND TWO-FAMILY RESIDENTIAL DISTRICT TO R-3, MULTI-FAMILY RESIDENTIAL DISTRICT BY AMENDING ARTICLE 1331 OF THE PLANNING AND ZONING CODE OF THE CITY OF MORGANTOWN AS SHOWN ON THE EXHIBIT HERETO ATTACHED AND DECLARRED TO BE A PART OF THIS ORDINANCE AS IF THE SAME WAS FULLY SET FORTH HEREIN: The above entitled Ordinance was presented for first reading.

AN ORDINANCE PROVIDING FOR THE ZONING RECLASSIFICATION OF EIGHTEEN (18) PARCELS OF REAL ESTATE IN THE THIRD WARD OF THE CITY OF MORGANTOWN FROM R-2, SINGLE- AND TWO-FAMILY RESIDENTIAL DISTRICT TO R-3, MULTI-FAMILY RESIDENTIAL DISTRICT BY AMENDING ARTICLE 1331 OF THE PLANNING AND ZONING CODE OF THE CITY OF MORGANTOWN AS SHOWN ON THE EXHIBIT HERETO ATTACHED AND DECLARRED TO BE A PART OF THIS ORDINANCE AS IF THE SAME WAS FULLY SET FORTH HEREIN.

Council suspended the rules for the explanation by Chris Fletcher and discussion. Motion by Shamberger, second by Kawecki, to pass the above entitled Ordinance to second reading, motion carried 6-1.

A RESOLUTION TO OBTAIN \$3,000.00 TO HELP EMPTY BOWLS MONONGALIA PURCHASE EQUIPMENT AND SUPPLIES THROUGH THE GOVERNS PARTICIPATION GRANT PROGRAM: The above Resolution was presented for approval.

A RESOLUTION TO OBTAIN \$3,000.00 TO HELP EMPTY BOWLS MONONGALIA PURCHASE EQUIPMENT AND SUPPLIES THROUGH THE GOVERNORS PARTICIPATION GRANT PROGRAM.

Motion by Kawecki, second by Bane to adopt the above entitled Resolution. Motion carried 7-0.

A RESOLUTION FOR SUPPORT OF MONONGALIA COUNTY COMMISSIONS REQUEST OF WVDOT TO DECREASE THE SPEED LIMIT AND ADD A FLASHING YELLOW "CAUTION" LIGHT IN THE AREA OF THE INTERSECTION OF RT. 119 AND RT. 73: The above Resolution was presented for approval.

A RESOLUTION FOR SUPPORT OF MONONGALIA COUNTY COMMISSIONS REQUEST OF WVDOT TO DECREASE THE SPEED LIMIT AND ADD A FLASHING YELLOW " CAUTION" LIGHT IN THE AREA OF THE INTERSECTION OF RT. 119 AND RT. 73.

Motion by Bane, second by Ganz, to adopt the above entitled Resolution. Motion carried 7-0.

A RESOLUTION TO OBTAIN \$5,000.00 TO HELP CONSTRUCT AND INSTALL IN DOWNTOWN MORGANTOWN A COLONIAL ZACKQUILL MORGAN STATUE:

A RESOLUTION TO OBTAIN \$5,000.00 TO HELP CONSTRUCT AND INSTALL IN DOWNTOWN MORGANTOWN A COLONIAL ZACKQUILL MORGAN STATUE.

Motion by Nugent, second by Ganz, to adopt the above entitled Resolution. Motion carried 7-0.

CITY MANAGERS REPORT:

New Business:

1. Fire Civil Service Revised Rules and Regulations

Mr. Mikorski recommended City Council approve the revisions to the rules and regulations attached that are endorsed by the Morgantown Fire Civil Service Commission.

After City Manager and Fire Chief explanation's, motion by Nugent, second by Shamberger. Question was called, motion carried 7-0.

2. Budget discussion for Committee Of the Whole.

Mr. Mikorski repeated the budget items requested by Councilor Shamberger and asked for consensuses to discuss further at the next Committee Of the Whole Meeting. Motion by Bane and second by Kawecki. Motion carried 7-0.

REPORT FROM CITY CLERK: Mrs. Tucker updated Council about the 2015 City Election.

REPORT FROM CITY ATTORNEY: No Report

REPORT FROM COUNCIL MEMBERS:

Councilor Bane:

Councilor Bane acknowledges that the public is frustrated by the garbage service and the billing. He stated questions are being asked by residents about the house on Madison and asked if their questions could be addressed. He recommended we write a letter to the Department Of Highway that Beechhurst Avenue be one of the first on the paving list for 2015.

Councilor Kawecki:

Councilor Kawecki asked City Manager if the Bad Building Meeting was still scheduled and if volunteers from the public could be considered. He then announced Saturday is the Blue Jean Ball.

Councilor Nugent:

Councilor Nugent had no report.

Councilor Shamberger

Councilor Shamberger announced Woodburn First Friday is from 6 to 8 and Joyce Noise band is performing. She asked the City Manager about rental signs on properties in R1 and R1A neighborhoods and the relation to any

ordinance. She then stated she appreciated what FCX expressed, but that the City Manager and Airport Director followed the rules.

Councilor Fike:

Councilor Fike had no report.

Councilor Ganz:

Councilor Ganz thanked everyone that was involved in the Empty Bowl Program. She expressed concerns brought up at the neighborhood association meeting about the lights being distracting to the residents from the housing construction sites and the WVU Medical Center PRT building. She appreciated everyone's involvement in budget discussion. She mentioned discussing at the next meeting about BOPARC having huge capital needs and suggested BOPARC having discounts for City resident's participation. She announced Officer Matt Poremba is moving and she wanted to thank him for all his service within the community.

Mayor Selin:

Mayor Selin suggested Council meeting with the student government at one of the Committee Of the Whole Meetings. She stated she supported issuing a letter about the garbage service and having the garbage company among others attend a Committee Of the Whole Meeting for further discussion about the concerns from residents. Mayor Selin announced the overhead lights in front of the Arboretum and other side that are consistently out. She then stated she appreciates the discussion and further discussion on the budget. She announced Compost 101 is on March 26 at the Morgantown Library, Morgantown Farmers Market is 11 to 1, Mohigan Idol at Morgantown High School March 20, at 7:30 PM, Harry Manx in concert at the MET on March 10, Holly Spears in concert at MET on March 14, and the Woodburn meeting.

ADJOURNMENT: There being no further items of business or discussion, the meeting adjourned by unanimous consent at 8:40 p.m.

City Clerk

Mayor

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



Office of the City Manager

The City of Morgantown

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City Manager's Report for City Council Meeting on March 17, 2015

Information :

1. Home Rule Amendment to Application

On April 21, 2015 at 7:00 pm there will be a public hearing on an amendment to the City of Morgantown Home Rule Application, and an Ordinance amending sections 1505.01 and 1511.02 of the Morgantown City Code to grant City Fire Marshals and Deputy Fire Marshals arrest authority at fire scenes and for certain violations of the Fire Prevention Code. This information will be advertised for the required 30 days prior to the public hearing. The amendment and ordinance will be presented to the Home Rule Oversight Board meeting in June, 2015.



Jeff Mikorski ICMA-CM,
Morgantown City Manager

Proposed Amendment to the City of Morgantown Home Rule Application

I. Introduction

The City of Morgantown (the “City”) has been approved to participate in West Virginia’s Municipal Home Rule Pilot Program, Phase II (“Home Rule Program”) and its initial written plan has been approved by the Municipal Home Rule Board (the “Board”).

Pursuant to *W. Va. Code* § 8-1-5a(l), “[a] municipality selected to participate in the Municipal Home Rule Pilot Program may amend its written plan at any time.” The Board has provided guidance for municipalities proposing plan amendments. The guidance requires a public hearing and statement of the reasons for amendment similar to those required in an initial plan under *W. Va. Code* § 8-1-5a(f) and (g).¹

The City seeks to amend its written plan to propose an ordinance granting its fire marshals additional authority – including the authority to make arrests for certain specific violations of the Fire Prevention Code – to effectively address ongoing problems with fire prevention. The applicable laws and reasons for amendment are set out below.

II. Specific Laws Applicable

West Virginia Code sections 8-15-1, 29-3A-1 to -3, and 8-14-3.

III. Limitations Presented by Applicable Law

The City’s large population of university students – equivalent in number to full-time residents – creates difficulties enforcing the Fire Prevention Code prohibition against overcrowded structures; fire marshals are faced with numerous bars and house parties that create unsafe structural loads, and the occupants are often combative and unwilling to obey orders to restore proper occupancy levels. In addition, the City suffers incidents of street and dumpster fires on par with large cities such as Columbus and Los Angeles.² These problems require the fire prevention expertise of the City’s fire marshals³ and more enforcement officers than are available in a police force in a city the size of Morgantown.

The City’s power to extinguish and prevent fire is created by *W. Va. Code* § 8-15-1, which states, “The governing body of every municipality shall have plenary power and authority to provide for the prevention and extinguishment of fires[.]” The section provides a

¹ http://www.wvcommerce.org/App_Media/assets/images/commerce/wyhomeerule/forms/2014_MHR_Amend_Plan_Procedure091714.pdf

² See National Fire Incident Reporting System summary and Morgantown Fire Department statistics, attached as Exhibit 1.

³ The position of fire marshal and deputy fire marshal of the City is defined in City Code § 1511.02, a part of the proposed ordinance amendment attached as Exhibit 5.

nonexclusive list of actions the City may take but no specific statement that fire marshals may make arrests.⁴ In response to a State Fire Commission inquiry, the West Virginia Attorney General's office construed *W. Va. Code* § 8-15-1, standing alone, to permit the City to grant fire marshals limited law enforcement authority.⁵ However, the opinion is limited to consideration of *W. Va. Code* § 8-15-1 and expressly does not address the impact of other statutory or constitutional provisions.

Other statutory provisions provide specific powers to local firefighters, *W. Va. Code* § 29-3A-1 to -3, and allow the State Fire Marshal the authority to grant certain arrest powers to deputized fire marshals, *W. Va. Code* § 29-3-12, but neither specifies that local firefighters may arrest based upon municipal authorization.⁶ In addition, *W. Va. Code* § 8-14-3 may be construed to vest all municipal arrest powers in the police department. It provides as follows:

The chief and any member of the police force or department of a municipality and any municipal sergeant shall have all of the powers, authority, rights and privileges within the corporate limits of the municipality with regard to the arrest of persons, the collection of claims, and the execution and return of any search warrant, warrant of arrest or other process, which can legally be exercised or discharged by a deputy sheriff of a county.

Id. The City recognizes that where a reasonable doubt exists as to the City's authority, the courts will find the authority does not exist. *Hyre v. Brown*, 102 W. Va. 505, 135 S.E. 656 (1926). Because the statutory provisions granting the City's power to prevent and extinguish fire and the firefighters' powers and duties do not specifically grant arrest powers, and because other statutory provisions do specifically grant police arrest powers, the City could be found not to have the authority to grant fire marshals arrest powers under current law. The City wishes to avoid the threat of litigation and assure its fire marshals can act with sound authority by seeking approval of the Board.

⁴ The full text of *W. Va. Code* § 8-15-1 is as follows:

The governing body of every municipality shall have plenary power and authority to provide for the prevention and extinguishment of fires, and, for this purpose, it may, among other things, regulate how buildings shall be constructed, procure proper engines and implements, provide for the organization, equipment and government of volunteer fire companies or of a paid fire department, prescribe the powers and duties of such companies or department and of the several officers, provide for the appointment of officers to have command of fire fighting, prescribe what their powers and duties shall be, and impose on those who fail or refuse to obey any lawful command of such officers any penalty which the governing body is authorized by law to impose for the violation of an ordinance. It may give authority to any such officer or officers to direct the pulling down or destroying of any fence, house, building or other thing, if deemed necessary to prevent the spreading of a fire.

Id.

⁵ See West Virginia Attorney General Opinion dated December 5, 2014, attached as Exhibit 2.

⁶ Copies of these provisions are attached as Exhibits 3 and 4, respectively.

IV. Proposed solution

Upon approval of the Board, the City will adopt an ordinance permitting fire marshals to arrest any individual disobeying lawful orders at the scene of a fire and any individual who violates the Fire Prevention Code prohibitions against malicious burning, obstructing a fire marshal, or failure to obey orders. Incident to the arrest powers, the fire marshals would have authority to obtain and serve warrants for violations of these provisions. A copy of the proposed ordinance is attached as Exhibit 5. The Morgantown Fire Department and Morgantown Police Department have made arrangements for the fire marshals to be given initial and annual training that will comply with *W. Va. Code* §§ 30-29-1 *et seq.*, if the written plan amendment and ordinance are approved by the Board.

Adoption of the ordinance is expected to allow the City's fire marshals to better prevent chronic overcrowding conditions that endanger individuals' safety and to enforce Fire Prevention Code provisions designed to inhibit furniture and street fires. Limiting these fires and overcrowding will prevent property damage suffered by City residents and preserve City resources for other important municipal services.

AN ORDINANCE AMENDING SECTIONS 1505.01 AND 1511.02 OF THE MORGANTOWN CITY CODE TO GRANT CITY FIRE MARSHALS AND DEPUTY FIRE MARSHALS ARREST AUTHORITY AT FIRE SCENES AND FOR CERTAIN VIOLATIONS OF THE FIRE PREVENTION CODE.

WHEREAS, the Common Council of the City of Morgantown intends to protect residents and visitors from the dangers created by uncontrolled fires and to prevent the creation of unnecessary dangerous situations in violation of the City's Fire Prevention Code; and

WHEREAS, the City has created a Bureau of Fire Prevention and a Bureau of Fire Investigation in the Fire Department which employ Fire Marshals and Deputy Fire Marshals to enforce the Fire Prevention Code; and

WHEREAS, the prevention and extinguishing of fires and dangerous conditions related to fire within the City will be promoted by granting limited powers or arrest to Fire Marshals and Deputy Fire Marshals to ensure those who are responsible for such fires and conditions or who are preventing effective extinguishing and prevention of fires are apprehended; and

WHEREAS, pursuant to *W. Va. Code* § 8-15-1, the City has "plenary power and authority to provide for the prevention and extinguishment of fires," but is not specifically granted by the text of West Virginia Code Chapter 8, Article 15, the authority to grant firefighters arrest powers when exercising its authority to prevent and extinguish fires; and

WHEREAS, pursuant to the authority granted to the City of Morgantown as a Home Rule Municipality under West Virginia Code § 8-1-5a, City Council is authorized to grant limited arrest powers to Fire Marshals and Deputy Fire Marshals at the scene of fires and to promote effective enforcement of specific provisions of the Fire Prevention Code;

NOW THEREFORE, the City of Morgantown hereby ordains that Sections 1505.01 and 1511.02 of the City Code be amended as follows:

1505.01 OBEDIENCE TO ORDERS AT FIRES.

Whoever shall be present at a fire shall be subject and obedient to the orders of the Chief of the Fire Department, the Captain or to the orders of any ~~fireman~~ firefighter, Fire Marshal, Deputy Fire Marshal, or police officer in any matter relating to the extinguishing of fire and the removal and protection of property and maintenance of order. Whoever neglects or refuses to obey such orders, shall be guilty of a violation of this section. All police officers, Fire Marshals, and Deputy Fire Marshals shall have the power to arrest any person so neglecting or refusing to obey any such lawful orders, to hold him in custody until after the fire shall have been extinguished, and then to take the person before the ~~Police Judge~~ Municipal Court Judge or appropriate municipal court officer of the City to be dealt with according to law.

1511.02 CODE ENFORCEMENT.

(a) The Fire Chief shall be responsible for the enforcement of the City of Morgantown Fire Prevention Code. To assist in the performance of the responsibilities and duties placed upon the Fire Chief, a Bureau of Fire Prevention and a Bureau of Fire Investigation in the Fire Department are hereby created. Both Bureaus shall operate under the supervision of the Fire Chief, who shall designate fire officials of the Fire Department as Fire Marshals for each. The Fire Marshals shall report to the Fire Chief, shall be the administrators of the Bureau of Fire Prevention and Bureau of Fire Investigation and shall be responsible for administration and enforcement of the Fire Prevention Code. The Fire Chief may also designate members of the Fire Department, who have met the qualifications and training as set forth in ~~either Morgantown Fire Department Code enforcement S.O.P. #6 or Fire Investigation S.O.P. #8~~ S.O.G. 308.01 as Deputy Fire Marshals. The Fire Chief is authorized, if he/she deems it necessary, to create additional bureaus and appoint additional Fire Marshals. The Fire Marshals and Deputy Fire Marshals are hereby empowered to enforce the Fire Prevention Code and to cite for any Fire Code violations upon observation of each such offense. Violations for which citations may be issued by the Fire Marshals and Deputy Fire Marshals include, but are not limited to:

- (1) Locked or blocked fire exits.
- (2) Overcrowding in violation of posted occupant loads.
- (3) Failure to maintain occupant load posting.
- (4) Blocking or obstructing designated fire lanes.
- (5) Outdoor burning without a State forester permit, when such a permit is required.
- (6) Burning of materials not authorized in the State burning permit.
- (7) Having a bonfire or other similar fire without approval of the Morgantown Fire Department.
- (8) Refusing to cease burning of materials when ordered to do so by proper authority.
- (9) Tampering with any portable or fixed fire extinguishing system or device or any fire warning system.
- (10) Illegal burning.
- (11) Malicious burning.
- (12) Obstructing a Fire Marshal.
- (13) Failure to Comply with Orders.
- (14) Any violation of the Morgantown Fire Prevention Code, West Virginia State Fire Code, or any other fire codes or standards adopted by specific reference by the State of West Virginia.

(b) Fire Marshals and Deputy Fire Marshals are hereby empowered to make arrests anywhere within the City of Morgantown of any person charged with the violations of Malicious Burning, Failure to Comply with Orders, or Obstructing a Fire Marshal; and when a witness to the perpetrations of these offenses, to make arrests without warrant; or to detain of any persons suspected of the commission of these offenses for investigatory purposes.

(c) Fire Marshals and Deputy Fire Marshals are hereby empowered to make complaint in writing before the Municipal Judge or appropriate municipal court officer and procure a warrant for the arrest of any offender of the violations Malicious Burning, Failure to Comply with Orders, or Obstructing a Fire Marshal. Fire Marshals and Deputy Fire Marshals may execute any summons or warrant issued by the Municipal Judge or appropriate municipal court officer for the offenses of Malicious Burning, Failure to Comply with Orders, or Obstructing a Fire Marshal upon the offender within the City of Morgantown. Any return by a Fire Marshal or Deputy Fire Marshal showing the manner of executing the warrant or summons has the same force and effect as if made by a police officer.

(d) The Fire Chief, who is responsible for the enforcement of the Fire Prevention Code, may revoke or rescind, at any time, any Fire Department member's enforcement powers when, in the opinion of the Fire Chief, these powers have been abused or improperly enforced.

(e) Nothing within this article shall prevent a Fire Marshal or an Assistant Fire Marshal from seeking injunctive relief against the responsible party at any time once any Code violation is noted. (Ord. 09-19. Passed 5 -19-09.)

~~(b)~~ (f) There is hereby established a Morgantown Fire Prevention Board which shall ultimately be responsible for the orderly enforcement of the Fire Prevention Code. The membership of the Board shall be composed of the City Manager, who shall be its permanent chairperson, the Chief of the Fire Department and the City Engineer. All actions contemplated by the City's Fire Marshal or Deputy Fire Marshals shall first be reviewed by the Fire Chief who at his discretion may delay any such action until such time as the matter has been presented to the Board for deliberation and recommendation. The Board shall prescribe its own rules and regulations governing its meetings and proceedings, and may, from time to time promulgate appropriate rules and regulations, not otherwise inconsistent with the ordinances of the City or the statutes of the State, which the Board may deem necessary for the orderly enforcement of the Fire Prevention Code. The Board shall have the right to conduct appeal hearings pursuant to Section 1511.05.

BOARDS AND COMMISSIONS - TERMS EXPIRED AND CURRENT VACANCIES

FIRE CIVIL SERVICE:

Dan Hursh e-mailed that he must resign due to personal reasons. We are looking for a new Commissioner administratively. This is a City Manager appointment.

METROPOLITAN THEATRE COMMISSION:

Patricia Watson has resigned. Jay Redmond (bio. attached) has been approved by the Chair Rick McFwuen to replace Patricia. Council can vote on this at the March 17, 2015 meeting. 7 members to be City residents, 1 member from Council, 1 member from County Commission.

MORGANTOWN HOUSING ADVISORY COMMISSION:

Chelsi Baker has done a press release for members. Council will be notified when the Clerk gets applications and will keep Council updated. Attached is press release.

URBAN LANDSCAPE:

Cindy Fike the 6th ward member is resigning. Nicole Panaccione, Fourth Ward resigned on 7/1/2014. Councilor Selin is looking for a replacement for that position on that commission. Nominated by CM, one from each WD, 13 members with staggered terms and 1 Councilor. City Manager and Clerk will be meeting to discuss appointments.

TREE BOARD:

Kara Hurst also resigned from the Tree Board. City Clerk advertised for new members. Residents appt. not ward specific; one member must have knowledge of tree management and care.

*POLICE & FIRE CIVIL SERVICE COMMISSIONS: NEW PRESIDENTS APPOINTED IN JANUARY.

**Information for Boards and Commissions vacancies are placed in the Dominion Post, are advertised on the City's Government Station Channel 15, and are posted at the Library and also information is on the City's Web Page.*

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

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

3/12/15

Application to Serve on City Boards and Commissions

THE CITY OF MORGANTOWN HAS NUMEROUS COMMITTEES, BOARDS, AND COMMISSIONS COMPRISED OF CITIZENS WHO GIVE OF THEIR TIME IN VERY IMPORTANT CAPACITIES. STATE LAWS PRESCRIBE THAT SOME OF THOSE BODIES RETAIN MEMBERS WHO HAVE CERTAIN EXPERIENCE, EDUCATION OR PROFESSIONAL CERTIFICATIONS. WE ASK THAT YOU PROVIDE THE FOLLOWING BASIC INFORMATION SO WE MAY EVALUATE PROSPECTIVE APPOINTEES' QUALIFICATIONS IN AN EXPEDIENT MANNER. A RESUME OR OTHER PERTINENT INFORMATION MAY BE SUBMITTED ALONG WITH THIS FORM.

MR/MS: JAY REDMOND WORK/CELL PHONE: (304) 692-9771

ADDRESS: 941 SOUTHPOINT CIRCLE HOME PHONE: (304) 296-3388
MORGANTOWN, WV 26501 ZIP: 26501

EMAIL ADDRESS: THE REDMONDS@COMCAST.NET

CITY RESIDENT? YES NO YEARS OF CITY RESIDENCY 58 WARD 6

WHO IS YOUR EMPLOYER?(If Retired, Answer "Retired"): SELF-EMPLOYED

WHAT TYPE OF BUSINESS ARE (were) YOU EMPLOYED IN? _____

JOB TITLE or JOB DESCRIPTION: _____

PROFESSIONAL CERTIFICATIONS/LICENSES: _____

SPECIAL INTERESTS: _____

PLEASE CHECK THE COMMISSIONS YOU ARE INTERESTED IN SERVING:

- | | |
|---|---|
| <input type="checkbox"/> BOCA BOARD OF APPEALS | <input type="checkbox"/> MUSEUM COMMISSION |
| <input checked="" type="checkbox"/> BOARD OF PARKS AND RECREATION | <input checked="" type="checkbox"/> PARKING AUTHORITY |
| <input checked="" type="checkbox"/> BOARD OF ZONING APPEALS | <input type="checkbox"/> PERSONNEL BOARD |
| <input checked="" type="checkbox"/> BUILDING COMMISSION | <input checked="" type="checkbox"/> PLANNING COMMISSION |
| <input type="checkbox"/> FIRE CIVIL SERVICE | <input type="checkbox"/> POLICE CIVIL SERVICE |
| <input type="checkbox"/> HISTORIC LANDMARKS | <input type="checkbox"/> SISTER CITIES COMMISSION |
| <input type="checkbox"/> HUMAN RIGHTS | <input checked="" type="checkbox"/> TRAFFIC COMMISSION |
| <input type="checkbox"/> LIBRARY BOARD | <input checked="" type="checkbox"/> TRANSIT AUTHORITY |
| <input checked="" type="checkbox"/> MET BOARD | <input type="checkbox"/> URBAN LANDSCAPE COMMISSION |
| <input checked="" type="checkbox"/> MORGANTOWN UTILITY BOARD | <input type="checkbox"/> WARD & BOUNDARY |
| <input type="checkbox"/> MORGANTOWN HOUSING COMMISSION | <input checked="" type="checkbox"/> WOODBURN SCHOOL |
| <input type="checkbox"/> TREE BOARD | |

Press Release
Volunteers Needed for Housing Advisory Commission

The Housing Advisory Commission has opening for two volunteers in their membership. The first opening must be filled by a licensed real estate representative, the second, for one at large member who shall be a resident of the city of Morgantown.

All members of the commission except for WVU student government representatives serve a 3 year term; all members serve without compensation.

The function of the Housing Advisory Commission is to:

1. Serve as the medium for citizen advice and comment on housing issues.
2. Provide advocacy for establishing and maintaining diversity in housing types and opportunities.
3. Encourage and strengthen collaborative planning and communications between public and private housing sectors.
4. Review, consider, and make recommendations to the City Manager and City Council on all aspects that affect public and private housing.
5. Research and discuss housing trends and ideas and make recommendations to the City Manager and City Council regarding housing policy and ordinances.
6. Sponsor educational programs on owner and non-owner occupied housing.

If you are interested in serving please contact city clerk Ms. Linda Little Tucker at llittle@cityofmorgantown.org or apply on our website at... www.morgantownwv.gov. Or call the clerk at 304-284-7434. Thank you Volunteers ☺

**AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE CITY OF
MORGANTOWN FOR THE FISCAL YEAR 2015-2016**

The Common Council of the City of Morgantown, West Virginia hereby ordains:

SECTION I:

That the following budget be and the same is hereby adopted for the City of Morgantown for the FY 2015-2016.

General Fund Revenues

Balance as of July 1, 2015	\$ 300,000
Taxes	20,717,503
Licenses and Permits	316,100
Intergovernmental	161,866
Charges for Services	2,656,297
Interfund Charges	81,930
Fines and Forfeiture	615,000
Other Financial Sources	134,515
Miscellaneous	<u>404,855</u>
<u>Total General Fund Revenues</u>	\$ 25,388,066

Coal Severance Fund Revenues

Balance as of July 1, 2015	\$ 13,333
Coal Severance	114,000
Miscellaneous	<u>200</u>
<u>Total Coal Severance Fund Revenues</u>	\$ 127,533

TOTAL REVENUES - GENERAL & COAL SEVERANCE \$ 25,515,599

General Fund/Department Expenditures

Mayor and City Council	\$ 65,326
City Manager	493,359
Finance	819,987
City Clerk	162,203
Municipal Court	283,744
City Attorney	248,660
Engineering	493,124
Personnel	75,229
Code Enforcement	977,192
Planning and Zoning	197,748
Elections	-
Information Technology	149,757
City Hall & Buildings	522,601
Police	6,821,613
Fire	4,573,658
Animal Control	40,575
Street	2,446,962
Signs & Signals	662,781
Equipment Maintenance	774,535
Urban Landscape	171,586
Contributions	452,245
Operating Transfers Out	<u>4,955,181</u>
<u>Total General Fund Expenditures</u>	\$ 25,388,066

Coal Severance Fund Expenditures

Contributions to Other Funds	\$ 120,000
Contingencies	<u>7,533</u>
<u>Total Coal Severance Fund Expenditures</u>	\$ 127,533

TOTAL EXPENDITURES FOR
GENERAL & COAL SEVERANCE FUNDS \$ 25,515,599

This Ordinance shall be effective upon date of adoption.

FIRST READING:

ADOPTED:

FILED:

RECORDED:


MAYOR


CITY CLERK

**AN ORDINANCE AMENDING SECTION 129.05 OF THE CITY CODE PRESCRIBING
RULES FOR PURCHASING, CONTRACTS, AND PUBLIC BIDDING**

WHEREAS, the City is permitted to provide for centralized purchasing pursuant to *W. Va. Code* § 8-12-10; and

WHEREAS, the City expects to conserve funds and more efficiently purchase necessary supplies by providing for centralized purchasing.

NOW, THEREFORE, the City of Morgantown hereby ordains that Section 129.05 of the City Code is amended as follows:

129.05 PURCHASES AND CONTRACTS; PUBLIC BIDDING.

(a) Any purchases, capital improvements or repairs costing more than twenty-five thousand dollars (\$25,000) or any series of purchases, capital improvements or repairs constituting essentially a single project and costing in the aggregate more than twenty-five thousand dollars (\$25,000), shall be executed by a contract authorized by Council except where such improvement is authorized by Council to be ~~executed~~ obtained directly by the City Manager in conformity with detailed plans, specifications and estimates.

(b) All such contracts shall be awarded to the lowest responsible bidder after such public notice and competition as Council may prescribe and after a public opening of bids; provided, however, that the City Manager shall have the power to reject all bids and advertise again.

(c) Alterations in any contract may be made when authorized by Council upon the ~~written~~ recommendation of the City Manager; provided, however, that Council shall not except individual contracts, purchases or sales from the requirement of competitive bidding.

(d) ~~No City employee who is subject to the direction and supervision of the City Manager may discuss specifications or purchases with a vendor, without prior approval of the Director, and in no case may any discussions be held with vendors without the presence of an authorized Finance and Support Services Department employee.~~ All purchases and purchasing procedures must meet the standards set by the Council, upon recommendation of the City Manager ~~and~~ or the Director of Finance and Support Services. All departmental purchase requests will be forwarded to the Finance and Support Services Department which will have the responsibility for combining and consolidating purchases under sealed bids.

(e) Any materials, supplies, or equipment – including motor vehicles – may be purchased pursuant to an agreement with the Director of the West Virginia Department of Finance and Administration, Division of Purchases or pursuant to an agreement with one or more other municipalities, counties or county boards of education, or any combination thereof, for centralized purchasing for all governmental units which are parties to such agreement. Purchases made under any of these agreements are not subject to the City’s competitive bidding requirements provided in this section, but such purchases shall be approved by council.

This ordinance shall be effective upon the date of adoption.

FIRST READING:

Mayor

ADOPTED:

FILED:

City Clerk

RECORDED:

AN ORDINANCE BY THE CITY OF MORGANTOWN, AND PURSUANT TO AUTHORITY GRANTED TO IT AS A HOME RULE MUNICIPALITY, CREATING A NEW SECTION 181.22 WITHIN ITS ADMINISTRATIVE CODE, AS THE SAME APPLIES TO A COURT TECHNOLOGY/MAINTENANCE FEE WHICH IS TO BE ASSESSED AGAINST MUNICIPAL COURT DEFENDANTS.

The City of Morgantown hereby ordains, pursuant to authority granted to it as a Home Rule Municipality, that a new Section 181.22 is created within its Administrative Code which reads as follows (new matter underlined, deleted matter struck through):

181.22 MUNICIPAL COURT TECHNOLOGY/MAINTENANCE FEE.

The Court shall assess a mandatory five dollar (\$5.00) fee upon each and every defendant found guilty or pleading nolo contendere regarding a misdemeanor violation, including traffic violations and moving violations, but excluding municipal parking ordinance violations. The municipality shall use the money raised by this fee to not only fund the current technological costs of its Municipal Court, but also, to update the Municipal Court's technology as needed.

FIRST READING:

MAYOR

ADOPTED:

FILED:

CITY CLERK

RECORDED:

AN ORDINANCE BY THE CITY OF MORGANTOWN, AND PURSUANT TO AUTHORITY GRANTED TO IT AS A HOME RULE MUNICIPALITY, CREATING A NEW SECTION 1713.04 WITHIN ITS BUILDING AND HOUSING CODE, AS THE SAME APPLIES TO PROPERTY MAINTENANCE REQUIREMENTS AND ITEMS FALLING WITHIN THE DEFINITION OF UPHOLSTERED FURNITURE.

The City of Morgantown hereby ordains, pursuant to authority granted to it as a Home Rule Municipality, that a new Section 1713.04 of its Building and Housing Code is created which reads as follows (new matter underlined, deleted matter struck through):

1713.04 UPHOLSTERED FURNITURE

(A) The International Property Maintenance Code, State Building Code, which has been adopted by this municipality is hereby amended by adding Section 202.1, which reads as follows:

202.1 Additional Definitions. For the purposes of this Article, the following terms shall be defined as follows:

(a) ENCLOSED PORCH. A structure, adjoining an entrance to a building, that is fully enclosed by permanent walls, windows, screens, or other similar material, and that cannot be accessed from the outside except through a door that is capable of being locked.

(b) EXTERIOR. The exterior of any structure that is exposed to the weather or subject to and in contact with the elements, including, but not limited to sidings, facings, veneers, masonry, roofs, foundations, porches, decks, balconies, screens, shutters, windows, doors, or signs.

(c) OUTDOOR FURNITURE. Weather-resistant furniture designed and manufactured for outdoor use.

(d) PORCH. A structure, adjoining an entrance to a building, that is not fully enclosed by permanent walls, windows, screens, or other similar material.

(B) The International Property Maintenance Code, State Building Code, which has been adopted by this municipality is hereby amended by adding Sections 302.11 and 302.12, which read as follows:

302.11 Furniture. It shall be unlawful for any person to allow on any yard, or other exterior area of any premises, furniture, other than Outdoor Furniture, as that term is defined in this Article.

302.12 Upholstered Furniture. It shall be unlawful for any person to allow on any yard, unenclosed porch, deck, balcony, or other exterior area of any premises, upholstered furniture, including but not limited to upholstered chairs, upholstered couches, mattresses, or other similar items. This section does not apply to Outdoor Furniture or to Enclosed Porches, as those are defined in this Article.

(C) If any section, clause, sentence, or phrase of this Section 1713.04 found to be unconstitutional or is otherwise held invalid by any court of competent jurisdiction, it shall not affect the validity of any remaining parts of Section 1713.04.

This Ordinance shall be effective upon date of adoption.

FIRST READING:

MAYOR

ADOPTED:

FILED:

CITY CLERK

RECORDED:

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2015 A
(West Virginia Water Development Authority);
Combined Utility System Revenue Bonds, Series 2015 B
(West Virginia Water Development Authority);
Combined Utility System Revenue Bonds, Series 2015 C
(West Virginia SRF Program); and
Combined Utility System Revenue Bonds, Series 2015 D
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 C (WEST VIRGINIA SRF PROGRAM); AND COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF MORGANTOWN; APPROVING THE ASSUMPTION OF THE LOAN AGREEMENTS RELATING TO SUCH BONDS AND THE ASSUMPTION, REDESIGNATION, REPLACEMENT AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; APPROVING A CONFORMED ORDINANCE; DESIGNATING A REGISTRAR, AND PAYING AGENT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City council (the "Governing Body") of The City of Morgantown (the "Issuer" or "Governmental Agency") has duly and officially adopted and enacted a bond ordinance, effective July 16, 2013 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION OF THE SEWER SYSTEM OF SCOTTS RUN PUBLIC SERVICE DISTRICT; AUTHORIZING THE ASSUMPTION AND REDESIGNATION OF THE SCOTTS RUN PUBLIC SERVICE DISTRICT'S SEWER REVENUE BONDS, SERIES 1991 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); SEWER REVENUE BONDS,

SERIES 1991 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM); AND SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM) IN CONNECTION WITH THE ACQUISITION OF THE SEWER SYSTEM AND THE RE-DESIGNATION BY THE CITY OF MORGANTOWN OF THE SCOTTS RUN PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 1991 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); SEWER REVENUE BONDS, SERIES 1991 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM); AND SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM) AS THE CITY OF MORGANTOWN COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 D (WEST VIRGINIA SRF PROGRAM); AND COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 E (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ASSUMPTION AND RE-DESIGNATION OF SUCH BONDS; ASSUMING, APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT, BOND PURCHASE AGREEMENT AND ARRA ASSISTANCE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE ASSUMPTION AND RE-DESIGNATION AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, since the enactment of the Bond Ordinance the City has issued additional bonds, particularly the Series 2013 A Bonds and Series 2014 B Bonds.

WHEREAS, the acquisition of the District Bonds, hereinafter defined, did not occur in 2013, but will occur in 2015;

WHEREAS, the Issuer desires to amend the Bond Ordinance through this Supplemental Resolution and Conformed Bond Ordinance (collectively, the "Bond Legislation")

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Conformed Bond Ordinance attached as Exhibit A when used herein;

WHEREAS, the Bond Ordinance provides for the assumption of the Scotts Run Public Service District (i) Sewer Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$137,568; (ii) Sewer Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$4,586; (iii) Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated November 25, 2003, issued in the original aggregate principal amount of \$8,111,813; and (iv) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated December 18, 2009, issued in the original aggregate principal amount of \$1,688,394 (collectively, the "District Bonds"); and re-designation and replacement as (i) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority)"; (ii) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority)"; (iii) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program)"; and (iv) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program)", (collectively, the "Series 2015 Bonds").

WHEREAS, the Bond Ordinance has authorized the assumption of a loan agreement dated December 20, 1991, including all schedules and exhibits attached thereto, by and between Scotts Run Public Service District and the West Virginia Water Development Authority (the "Authority"), a bond purchase agreement dated November 6, 2003, including all schedules and exhibits attached thereto, by and among Scotts Run Public Service District, the West Virginia Department of Environmental Protection (the "DEP") and the Authority and an ARRA assistance agreement dated December 18, 2009, including all schedules and exhibits attached thereto, by and between Scotts Run Public Service District, the DEP and the Authority (collectively, the "Loan Agreements").

WHEREAS, in the Bond Ordinance it is provided that the District Bonds be re-designated and replaced with the Series 2015 Bonds and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series 2015 Bonds should be established by a supplemental resolution pertaining to the Series 2015 Bonds; and that other matters relating to the Series 2015 Bonds be herein provided for;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be assumed by the Issuer, that the exact principal amount, the dates, the maturity date, the redemption provisions, the interest rates, if any, the interest and principal payment dates of the Series 2015 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2015 Bonds be herein provided for;

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

Section 1. The Issuer hereby approves the Conformed Bond Ordinance attached hereto as Exhibit A. The changes include designating the District Bonds as Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds and incorporating the Series 2013 A Bonds and Series 2014 B Bonds issued since the adoption of the ordinance.

Section 2. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered

A. the assumption of the Scotts Run Public Service District Sewer Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$137,568 (the District 1991 A Bonds”) and replacement of the District Series 1991A Bonds with The City of Morgantown Combined Utility Revenue Bonds, Series 2015 A (West Virginia Water Development Authority), originally represented by a single Bond, numbered AR-1, in the original aggregate principal amount of \$\$137,568. The Series 2015 A Bonds shall be dated March 31, 2015, shall finally mature on October 1, 2031 and shall bear interest at the rate of 7.75% per annum. The principal and interest of the Series 2015 A Bonds shall be payable annually on October 1 of each year, commencing October 1, 2015 to and including October 1, 2031 and in the amounts as set forth in Exhibit B of the Series 2015 A Bonds. The Series 2015 A Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2015 A Bonds.

B. the assumption of the Scotts Run Public Service District Sewer Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$4,586 (the District 1991 B Bonds”) and replacement of the District Series 1991 B Bonds with The City of Morgantown Combined Utility Revenue Bonds, Series 2015 B (West Virginia Water Development Authority), originally represented by a single Bond, numbered BR-1, in the original aggregate principal amount of \$\$4,586. The Series 2015 B Bonds shall be dated March 31, 2015, shall finally mature on October 1, 2031 and shall bear no interest. The principal of the Series 2015 B Bonds shall be payable annually on October 1 of each year, commencing October 1, 2015 to and including October 1, 2031 and in the amounts as set forth in Exhibit B of the Series 2015 B Bonds. The Series 2015 B Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2015 B Bonds.

C. the assumption of the Scotts Run Public Service District Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated November 25, 2003, issued in the original aggregate principal amount of \$8,111,813 (the District 2003 A Bonds”) and replacement of the District Series 2003 A Bonds with The City of Morgantown Combined Utility Revenue Bonds, Series 2015 C (West Virginia SRF Program), originally represented by a single Bond, numbered CR-1, in the original aggregate principal amount of \$\$8,111,813. The Series 2015 C Bonds shall be dated March 31, 2015, shall finally mature on September 1, 2042 and shall bear no interest. The principal of the Series 2015 C Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2015 to and including September 1, 2042 and in the amounts as set forth in Exhibit B of the Series 2015 C Bonds. The Series 2015 C Bonds are subject to the SRF Administrative Fee equal to 0.50% of the principal amount of the Series 2015 C Bonds as set forth in the Schedule Y attached to the Bond Purchase Agreement. The Series 2015 C Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and

otherwise in compliance with the Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2015 C Bonds,

D. the assumption of the Scotts Run Public Service District Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated December 18, 2009, issued in the original aggregate principal amount of \$1,688,394 (the District 2009 A Bonds”) and replacement of the District Series 2009 A Bonds with The City of Morgantown Combined Utility Revenue Bonds, Series 2015 D (West Virginia SRF Program), originally represented by a single Bond, numbered DR-1, in the original aggregate principal amount of \$1,688,394. The Series 2015 D Bonds shall be dated March 31, 2015, shall finally mature on December 1, 2049 and shall bear no interest. The principal of the Series 2015 D Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2015 to and including December 1, 2049 and in the amounts as set forth in Exhibit B of the Series 2015 D Bonds. The Series 2015 D Bonds are subject to the SRF Administrative Fee equal to 0.25% of the principal amount of the Series 2015 D Bonds as set forth in the Schedule Y attached to the ARRA Assistance Agreement. The Series 2015 D Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the ARRA Assistance Agreement, so long as the Authority shall be the registered owner of the Series 2015 D Bonds.

Section 3. All other provisions relating to the Series 2015 Bonds and the text of the Series 2015 Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 4. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreements and Acquisition Agreement, copies of which are incorporated herein by reference, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreements and in the applications to the DEP and the Authority.

Section 5. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia, to serve as Registrar (the “Registrar”) for the Series 2015 Bonds under the Bond Ordinance and does approve and accept the Registrar’s Agreement to be dated the date of delivery of the Series 2015 Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar’s Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 6. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2015 Bonds under the Bond Ordinance.

Section 7. A. The District’s Series 1991 A Bonds Sinking Fund is hereby assumed by the Issuer and renamed as The City of Morgantown, Series 2015 A Bonds Sinking Fund.

B. The District’s Series 1991 B Bonds Sinking Fund is hereby assumed by the Issuer and renamed as The City of Morgantown, Series 2015 B Bonds Sinking Fund.

C. The District's Series 2003 A Bonds Sinking Fund is hereby assumed by the Issuer and renamed as The City of Morgantown, Series 2015 C Bonds Sinking Fund.

D. The District's Series 2009 A Bonds Sinking Fund is hereby assumed by the Issuer and renamed as The City of Morgantown, Series 2015 D Bonds Sinking Fund.

Section 8. A. The District's Series 1991 A Bonds Reserve Account is hereby assumed by the Issuer and renamed as The City of Morgantown, Series 2015 A Bonds Reserve Account.

B. The District's Series 1991 B Bonds Reserve Account is hereby assumed by the Issuer and renamed as The City of Morgantown, Series 2015 B Bonds Reserve Account.

C. The District's Series 2003 A Bonds Reserve Account is hereby assumed by the Issuer and renamed as The City of Morgantown, Series 2015 C Bonds Reserve Account.

D. The District's Series 2009 A Bonds Reserve Account is hereby assumed by the Issuer and renamed as The City of Morgantown, Series 2015 D Bonds Reserve Account.

Section 9. The Mayor and the Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2015 Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2015 Bonds may be delivered on or about March 31, 2015, to the Authority.

Section 10. The assumption of the District 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.

[Remainder of Page Intentionally Blank]

Section 11. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 17th day of March, 2015.

THE CITY OF MORGANTOWN

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Morgantown on the 17th day of March, 2015.

Dated: March 31, 2015.

[SEAL]

Clerk

627490.00053

EXHIBIT A
CONFORMED BOND ORDINANCE

CONFORMED BOND ORDINANCE

THE CITY OF MORGANTOWN

ASSUMPTION OF THE
SCOTTS RUN PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 1991 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
SEWER REVENUE BONDS, SERIES 1991 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM); AND
SEWER REVENUE BONDS, SERIES 2009 A
(WEST VIRGINIA SRF PROGRAM)

AND

RE-DESIGNATED AND REPLACED AS

THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 C
(WEST VIRGINIA SRF PROGRAM); AND
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D
(WEST VIRGINIA SRF PROGRAM)

ORDINANCE AUTHORIZING THE ACQUISITION OF THE SEWER SYSTEM OF SCOTTS RUN PUBLIC SERVICE DISTRICT; AUTHORIZING THE ASSUMPTION AND REDESIGNATION OF THE SCOTTS RUN PUBLIC SERVICE DISTRICT'S SEWER REVENUE BONDS, SERIES 1991 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); SEWER REVENUE BONDS, SERIES 1991 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM); AND SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM) IN CONNECTION WITH THE ACQUISITION OF THE SEWER SYSTEM AND THE RE-DESIGNATION BY THE CITY OF MORGANTOWN OF

THE SCOTTS RUN PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 1991 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); SEWER REVENUE BONDS, SERIES 1991 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM); AND SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM) AS THE CITY OF MORGANTOWN COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 C (WEST VIRGINIA SRF PROGRAM); AND COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ASSUMPTION AND RE-DESIGNATION OF SUCH BONDS; ASSUMING, APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT, BOND PURCHASE AGREEMENT AND ARRA ASSISTANCE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE ASSUMPTION AND RE-DESIGNATION AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF MORGANTOWN:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20, Chapter 22C, Article 1 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

Section 1.02. Findings. It is hereby found, determined and declared that:

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

B. The Issuer presently owns and operates, through the Morgantown Utility Board (the "Board"), a public combined waterworks, sewerage and stormwater system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired from the Scotts Run Public Service District (the "District") the existing sewer system of the District (collectively, the "District Assets") from the District, which District Assets constitute properties for the collection, transportation, treatment, purification, or disposal of liquid or solid wastes, residential sewage or

industrial waste (the existing combined waterworks, sewerage and stormwater system of the Issuer, the District Assets and any further additions, betterments and improvements thereto are herein called the "System"), pursuant to an Acquisition Agreement by and among the Issuer, the Board and the District, which Acquisition Agreement shall be approved by Supplemental Resolution (the "Acquisition Agreement").

C. The District has heretofore financed the acquisition and construction of public sewerage facilities to provide sewer service to approximately 970 customers in Monongalia County, by the issuance of its (i) Sewer Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$137,568; (ii) Sewer Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$4,586; (iii) Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated November 25, 2003, issued in the original aggregate principal amount of \$8,111,813; and (iv) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated December 18, 2009, issued in the original aggregate principal amount of \$1,688,394 (collectively, the "District Bonds").

D. The District Bonds were issued pursuant to Resolutions of the District previously enacted for such purpose (such resolutions, as amended and supplemented, are herein called the "District Resolutions").

E. It is deemed necessary and desirable for the Issuer to provide for the acquisition of the District Assets and the Assumption and Re-designation of the District Bonds.

F. The District permanently financed the acquisition of the District Assets through the issuance of the District Bonds to the West Virginia Water Development Authority (the "Authority").

G. It is deemed necessary for the Issuer to assume the District Bonds and Re-Designate them as: (i) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority)"; (ii) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority)"; (iii) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program)"; and (iv) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program)", (collectively, the "Series 2015 Bonds"), as consideration for acquisition of the District Assets.

H. The period of usefulness of the System is not less than 36 years.

I. It is in the best interests of the Issuer that the Series 2015 A Bonds and Series 2015 B Bonds continue to be held by the Authority pursuant to the terms and provisions of a Loan Agreement by and between the District and the Authority in form satisfactory to the respective parties (the "Loan Agreement"), which Loan Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

It is in the best interests of the Issuer that the Series 2015 C Bonds continue to be held by the Authority pursuant to the terms and provisions of a Bond Purchase Agreement dated November 6, 2003 by and among the District, the Authority and the DEP in form satisfactory to the respective parties (the "Bond Purchase Agreement"), which Bond Purchase Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

It is in the best interests of the Issuer that the Series 2015 D Bonds continue to be held by the Authority pursuant to the terms and provisions of a ARRA Assistance Agreement dated December 18, 2009 by and among the District, the Authority and the DEP in form satisfactory to the respective parties (the "ARRA Assistance Agreement"), which ARRA Assistance Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

J. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2015 Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

(1) Combined Utility System Revenue Bond, 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 Bond, 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 Bond, 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 Bond, 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 Bond, 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 Bond, 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 Bond, 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 Bond, 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 Bond, 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"); and

(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").

K. Prior to the assumption and re-designation of the District 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 and Series 2013 A Bonds to the assumption and re-designation of the District Bonds on a parity with the Prior Bonds. The Series 2010 A Bonds, Series 2010 F Bonds, Series 2012 C Bonds and Series 2014 B Bonds do not require consent. Other than the Prior Bonds, there are no other

outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

L. The estimated revenues to be derived in each year after completion of the acquisition of the District Assets and assumption and re-designation of the District Bonds from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Series 2015 Bonds and the Prior Bonds and to make payments into all funds and accounts and other payments provided for herein.

M. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement, the Bond Purchase Agreement, and the ARRA Assistance Agreement relating to authorization of the acquisition of the District Assets and the assumption and re-designation of the District Bonds, or will have so complied prior to the assumption and re-designation of the District Bonds or any thereof, including, among other things, the approval of the acquisition of the District Assets and the assumption and re-designation of the District Bonds by the Public Service Commission of West Virginia.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2015 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2015 Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

“Act” means, collectively, Chapter 8, Article 20, Chapter 22C, Article 1 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"ARRA Assistance Agreement" means the ARRA Assistance Agreement dated December 18, 2009 by and among the District, the Authority and the DEP providing for the issuance of the District's Series 2009 A Bonds, in form satisfactory to the respective parties, which ARRA Assistance Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

“Authority” means the West Virginia Water Development Authority, which is the original purchaser and Registered Owner of the Series 2015 Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization under the Act.

“Authorized Officer” means the Mayor or the City Manager of the Issuer, and, in the instance of the Board, the Chairman, the General Manager or the Assistant General Manager, or any other

officer of the Issuer or Board specifically designated by resolution of the Governing Body or the Board, as appropriate.

“Board” means the Morgantown Utility Board.

“Bondholder,” “Holder of the Bonds,” “Holder,” “Registered Owner” or any similar term whenever used herein with respect to an outstanding Bond or Bonds, means the person in whose name such Bond is registered.

“Bond Legislation,” “Ordinance,” “Bond Ordinance” or “Local Act” means this Bond Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

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

“Bonds” means, collectively, the Series 2015 Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated November 6, 2003 by and among the District, the Authority and the DEP providing for the District's Series 2003 A Bonds, in form satisfactory to the respective parties, which Bond Purchase Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

“Bond Year” means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

“City Clerk” means the City Clerk of the Issuer.

“City Manager” means the City Manager of the Issuer.

“Closing Date” means the date upon which the District Assets are transferred to the Issuer and the Series 2015 Bonds are assumed and re-designated by the Issuer.

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

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

“Consulting Engineers” means any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or

any of its agencies, commissions, or political subdivisions. "Consulting Engineer" shall also include a licensed professional engineer employed by the Board, who is responsible for design and/or supervision of improvements, additions or modifications to the System.

"DEP" means the West Virginia Department of Environmental Protection, or any other agency, board or department of the State that succeeds to the functions of the DEP.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns, which shall be a member of FDIC.

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

"District" means the Scotts Run Public Service District.

"District Assets" means all assets of the District, including all property, real or personal, tangible or intangible, which is part of the sewerage collection and transportation system of the District.

"District Bonds" means the Scotts Run Public Service District's: (i) Sewer Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$137,568; (ii) Sewer Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$4,586; (iii) Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated November 25, 2003, issued in the original aggregate principal amount of \$8,111,813; and (iv) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated December 18, 2009, issued in the original aggregate principal amount of \$1,688,394.

"District's Series 1991 A Bonds" means the Scotts Run Public Service District Sewer Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$137,568.

"District's Series 1991 B Bonds" means Scotts Run Public Service District Sewer Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$4,586.

"District's Series 2003 A Bonds" means the Scotts Run Public Service District Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated November 25, 2003, issued in the original aggregate principal amount of \$8,111,813.

"District's Series 2009 A Bonds" means Scotts Run Public Service District Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated December 18, 2009, issued in the original aggregate principal amount of \$1,688,394.

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

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

“Governing Body” means the council of the Issuer, as it may now or hereafter be constituted.

“Government Obligations” means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America.

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

“Herein,” “hereto” and similar words shall refer to this entire Bond Legislation.

“Independent Certified Public Accountant” means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

“Issuer” means The City of Morgantown, a municipal corporation and political subdivision of the State of West Virginia, in Monongalia County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Loan Agreement” means the Loan Agreement, heretofore entered into by and between the District and the Authority, providing for the purchase of the District's Series 1991 A Bonds and District's Series 1991 B Bonds from the District by the Authority, which Loan Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and the assumption of and re-designation of the District Bonds by the Issuer, the content of which is hereby approved (with any amendments or modifications required by the Authority as a result of the assumption of and re-designation of the District Bonds), and the assumption by the Issuer authorized and directed.

“Loan Agreements” means collectively, the ARRA Assistance Agreement, the Bond Purchase Agreement and the Loan Agreement.

“Mayor” means the Mayor of the Issuer.

“Net Proceeds” means the face amount of the Series 2015 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts.

“Net Revenues” means the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined.

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

“Operation and Maintenance Fund” means the Operation and Maintenance Fund established by the Prior Ordinances and continued hereby.

“Outstanding” when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond or Prior Bond cancelled by the Bond Registrar or Registrar for Prior Bonds, at or prior to said date; (ii) any Bond or Prior Bonds, for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid; and (v) for purposes of consents or other action by a specified percentage of Bondholders, or holders of Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

“Parity Bonds” means additional Bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof.

“Paying Agent” means the Commission or other entity designated as such for the Series 2015 Bonds in the Supplemental Resolution.

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

“Prior Ordinances” means, collectively, the ordinances authorizing the Prior Bonds.

“Qualified Investments” means and includes any of the following:

- (a) Government Obligations;

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

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

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

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

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

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

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

"Registered Owner," "Bondholder," "Holder" or any similar term means whenever used herein with respect to an outstanding Bond or Bonds, the person in whose name such Bond is registered.

"Registrar" means the Bond Registrar.

"Regulations" means temporary and permanent regulations promulgated under the Code, or any predecessor thereto.

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2015 Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2015 Bonds.

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

"Series 1995 Bonds" means the Issuer's Combined Utility System Revenue Bond, 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 Issuer's Combined Utility System Revenue Bond, 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 Issuer's Combined Utility System Revenue Bond, 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 Issuer's Combined Utility System Revenue Bond, 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 Issuer's 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 Issuer's Combined Utility System Revenue Bond, 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 Issuer's 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 Issuer's Combined Utility System Revenue Bond, 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 Issuer's Combined Utility System Revenue Bond, 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 Issuer's Combined Utility System Revenue Bond, 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 Issuer's Combined Utility System Revenue Bond, 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 Issuer's 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 Issuer's Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 24, 2012, issued in the original aggregate principal amount of \$570,000.

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

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

“Series 2014 B Bonds” means the Issuer's Combined Utility System Revenue Bonds, Series 2014 B, dated July 23, 2014, issued in the original aggregate principal amount of \$505,421.

“Series 2015 Bonds” means, collectively, the Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds.

“Series 2015 A Bonds” means the Issuer's Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority), of the Issuer, authorized by this Bond Legislation.

“Series 2015 A Bonds Reserve Account” means the District's Series 1991 A Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2015 A Bonds Reserve Account pursuant to Section 5.02 hereof.

“Series 2015 A Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2015 A Bonds in the then current or any succeeding year.

“Series 2015 A Bonds Sinking Fund” means the District's Series 1991 A Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2015 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

“Series 2015 B Bonds” means the Issuer's Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority), of the Issuer, authorized by this Bond Legislation.

“Series 2015 B Bonds Reserve Account” means the District's Series 1991 B Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2015 B Bonds Reserve Account pursuant to Section 5.02 hereof.

“Series 2015 B Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2015 B Bonds in the then current or any succeeding year.

“Series 2015 B Bonds Sinking Fund” means the District's Series 1991 B Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2015 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

“Series 2015 C Bonds” means the Issuer's Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

“Series 2015 C Bonds Reserve Account” means the District's Series 2003 A Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2015 C Bonds Reserve Account pursuant to Section 5.02 hereof.

“Series 2015 C Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2015 C Bonds in the then current or any succeeding year.

“Series 2015 C Bonds Sinking Fund” means the District's Series 2003 A Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2015 C Bonds Sinking Fund pursuant to Section 5.02 hereof.

“Series 2015 D Bonds” means the Issuer's Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

“Series 2015 D Bonds Reserve Account” means the District's Series 2009 A Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2015 D Bonds Reserve Account pursuant to Section 5.02 hereof.

“Series 2015 D Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2015 D Bonds in the then current or any succeeding year.

“Series 2015 D Bonds Sinking Fund” means the District's Series 2009 A Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2015 D Bonds Sinking Fund pursuant to Section 5.02 hereof.

“Sinking Funds” means, collectively, the respective Sinking Funds established for the Series 2015 Bonds and the Prior Bonds.

“SRF Administrative Fee” means any administrative fee required to be paid pursuant to the Bond Purchase Agreement and the ARRA Assistance Agreement.

“SRF Program” means the State’s Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

“SRF Regulations” means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article “the,” refers specifically to the supplemental resolution authorizing the sale of the Series 2015 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2015 Bonds, and not so included may be included in another Supplemental Resolution.

“Surplus Revenues” means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2015 Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

“System” means, collectively, the complete existing public combined waterworks, sewerage, and stormwater system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the District Assets and any additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

“Tap Fees” means the fees, if any, paid by prospective customers of the System in order to connect thereto.

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION OF THE DISTRICT ASSETS AND THE ASSUMPTION AND RE-DESIGNATION OF THE DISTRICT BONDS

Section 2.01. Authorization of Acquisition of the District Assets. There is hereby authorized and ordered the acquisition of the District Assets pursuant to the terms of an Acquisition Agreement by and between the Issuer and the District.

Section 2.02. Authorization of Assumption and Re-designation of the District Bonds. There is hereby authorized and ordered the assumption by the Issuer in full of the entire Outstanding principal of and the interest on the District Bonds on the Closing Date.

The Issuer also authorizes the re-designation of the District Bonds as (i) “The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority)”; (ii) “The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority)”; (iii) “The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program)”; and (iv) “The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program)”.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ASSUMPTION OF DISTRICT BONDS; ASSUMPTION OF LOAN AGREEMENT, BOND PURCHASE AGREEMENT AND ARRA ASSISTANCE AGREEMENT

Section 3.01. Authorization of Assumption of District Bonds. For the purposes of serving as consideration for the acquisition of the District Assets, the Issuer hereby authorizes the assumption of the indebtedness evidenced by the District Bonds, and the substitution of a new bond of the Issuer for each the District Bonds.

The District Bonds shall be assumed as four series of bonds and re-designated as (i) “The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority)”; (ii) “The City of Morgantown Combined Utility System Revenue Bonds,

Series 2015 B (West Virginia Water Development Authority)"; (iii) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program)"; and (iv) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program)" and shall have such terms as set forth hereinafter and in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2015 Bonds shall be assumed in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as exists on the Closing Date and as the Issuer shall prescribe in a Supplemental Resolution. The Series 2015 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2015 Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

As provided by the Supplemental Resolution, the Series 2015 Bonds shall initially be four series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2015 Bonds. The Series 2015 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Section 3.03. Execution of Bonds. The Series 2015 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2015 Bonds shall cease to be such officer of the Issuer before the Series 2015 Bonds so signed and sealed have been actually assumed, redesignated and delivered, such Bonds may nevertheless be assumed, redesignated and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2015 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2015 Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2015 Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be

necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2015 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2015 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2015 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2015 Bonds shall be transferable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the Series 2015 Bonds or transferring the registered Series 2015 Bonds are exercised, all Series 2015 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2015 Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2015 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2015 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2015 Bonds or, in the case of any proposed redemption of Series 2015 Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2015 Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2015 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the System as herein provided. No Holder or Holders of the Series 2015 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2015 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues: Lien Position with respect to Prior Bonds. The payment of debt service of the Series 2015 Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2015 Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation and Prior Ordinances are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver as substitute for the District Bonds, the Series 2015 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2015 Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2015 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2015 Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. Executed copies of the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement; and
- E. The unqualified approving opinions of bond counsel on the Series 2015 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2015 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the assumption and re-designation thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2015 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

Replacement Bond
for
Scotts Run Public Service District
Sewer Revenue Bonds, Series 1991 A
(West Virginia Water Development Authority)

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2015, THE CITY OF MORGANTOWN, a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, ___ to and including October 1, 2031 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT A. The interest of 7.75% per annum on this Bond shall be payable annually on October 1 of each year, commencing _____ 1, ___, to and including October 1, 2031 as set forth on EXHIBIT A attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and

otherwise in compliance with, the Loan Agreement by and between the Scotts Run Public Service District (the "District") and the Authority, dated _____, 1991, and assumed by the Issuer on _____, 2015.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District comprising the District's sewerage collection and transportation system (the "District Assets") from the District. The existing public combined waterworks, sewerage, and stormwater system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as "The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on July 16, 2013, and a Supplemental Resolution duly adopted by the Issuer on _____, 2015 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(1) COMBINED UTILITY SYSTEM REVENUE BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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"); AND

(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"), (COLLECTIVELY, THE "PRIOR BONDS");

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2015, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2015 B BONDS");

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 C (WEST VIRGINIA SRF PROGRAM), DATED _____, 2015, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "SERIES 2015 C BONDS"); AND

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D (WEST VIRGINIA SRF PROGRAM), DATED _____, 2015, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "SERIES 2015 D BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2015 A Bonds Reserve Account"). Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2015 A Bonds Reserve Account and unexpended proceeds of the Bonds, if any. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2015 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated the day and year first written above.

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2015 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2015.

UNITED BANK, INC.,
as Registrar

By:
Its: Authorized Officer

EXHIBIT A
DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint
_____, Attorney to transfer the said Bond on the books
kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20____.

In the presence of:

(FORM OF SERIES 2015 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

Replacement Bond
for
Scotts Run Public Service District
Sewer Revenue Bonds, Series 1991 B
(West Virginia Water Development Authority)

No. BR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2015, THE CITY OF MORGANTOWN, a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____) in annual installments on October 1 of each year, commencing _____ 1, 20__ to and including October 1, 2031 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Scotts Run Public Service District (the "District") and the Authority, dated _____, 1991, and assumed by the Issuer on _____, 2015.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District comprising the District's sewerage collection and transportation system (the "District Assets") from the District. The existing public combined waterworks, sewerage, and stormwater system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as "The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 B

(West Virginia Water Development Authority).” This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the “Act”), a Bond Ordinance duly enacted by the Issuer ON July 16, 2013, and a Supplemental Resolution duly adopted by the Issuer on _____, 2015 (collectively, the “Bond Legislation”), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER’S:

(1) COMBINED UTILITY SYSTEM REVENUE BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 \$4,505,260 (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") (COLLECTIVELY, THE "PRIOR BONDS");

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2015, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,605,260 (THE "SERIES 2015 A BONDS");

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 C (WEST VIRGINIA SRF PROGRAM), DATED JULY 23, 2015, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$505,421 (THE "SERIES 2015 C BONDS"); AND

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D (WEST VIRGINIA SRF PROGRAM), DATED _____, 2015, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "SERIES 2015 D BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2015 A Bonds, Series 2015 C Bonds, Series 2015 D Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2015 B Bonds Reserve Account"). Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2015 B Bonds Reserve Account and unexpended proceeds of the Bonds, if any. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2015 A Bonds, Series 2015 C Bonds, Series 2015 D Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2015 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2015 A Bonds, Series 2015 C Bonds, Series 2015 D Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated the day and year first written above.

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2015 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2015.

UNITED BANK, INC.,
as Registrar

By:
Its: Authorized Officer

EXHIBIT A
DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

In the presence of:

(FORM OF SERIES 2015 C BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 C
(WEST VIRGINIA SRF PROGRAM)

Replacement Bond
for
Scotts Run Public Service District
Sewer Revenue Bonds, Series 2003 A
(West Virginia SRF Program)

No. CR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2015, THE CITY OF MORGANTOWN, a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__ to and including September 1, 2043 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference. The SRF Administrative Fee of 0.5% (as defined in the hereinafter defined Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth on EXHIBIT A attached hereto.

This bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Scotts Run Public Service District (the "District"), the Authority and the West Virginia Department of Environmental Protection, dated November 6, 2003, and assumed by the Issuer on _____, 2015.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District comprising the District's sewerage collection and transportation

system (the "District Assets") from the District. The existing public combined waterworks, sewerage, and stormwater system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as "The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer ON July 16, 2013, and a Supplemental Resolution duly adopted by the Issuer on _____, 2015 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(1) COMBINED UTILITY SYSTEM REVENUE BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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") (COLLECTIVELY, THE "PRIOR BONDS"); AND

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2015, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2015 A BONDS");

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2015, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2015 B BONDS"); AND

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D (WEST VIRGINIA SRF PROGRAM), DATED _____, 2015, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "SERIES 2015 D BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 D Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2015 C Bonds Reserve Account"). Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2015 C Bonds Reserve Account and unexpended proceeds of the Bonds, if any. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 D Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2015 C Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 D Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation of this Bond do exist, have happened, and have been performed in due time, form and manner as required

by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated the day and year first written above.

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2015 C Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2015.

UNITED BANK, INC.,
as Registrar

By:
Its: Authorized Officer

EXHIBIT A
DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint
_____, Attorney to transfer the said Bond on the books
kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20____.

In the presence of:

(FORM OF SERIES 2015 D BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D
(WEST VIRGINIA SRF PROGRAM)

Replacement Bond
for
Scotts Run Public Service District
Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program)

No. DR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2015, THE CITY OF MORGANTOWN, a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__ to and including December 1, 2049 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference. The SRF Administrative Fee of 0.25% (as defined in the hereinafter defined Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth on EXHIBIT A attached hereto.

This bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and upon the terms and conditions prescribed by, and otherwise in compliance with, the ARRA Assistance Agreement by and among the Scotts Run Public Service District (the "District"), the Authority and the West Virginia Department of Environmental Protection, dated December 18, 2009, and assumed by the Issuer on _____, 2015.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District comprising the District's sewerage collection and transportation

system (the "District Assets") from the District. The existing public combined waterworks, sewerage, and stormwater system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as "The City of Morgantown Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2015 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(1) COMBINED UTILITY SYSTEM REVENUE BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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 BOND, 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") (COLLECTIVELY, THE "PRIOR BONDS");

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2015, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2015 A BONDS");

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2015, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2015 B BONDS"); AND

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 C (WEST VIRGINIA SRF PROGRAM), DATED _____, 2015, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2015 C BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2015 D Bonds Reserve Account"). Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2015 D Bonds Reserve Account and unexpended proceeds of the Bonds, if any. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2015 D Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation of this Bond do exist, have happened, and have been performed in due time, form and manner as required

by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated the day and year first written above.

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2015 D Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2015.

UNITED BANK, INC.,
as Registrar

By:
Its: Authorized Officer

EXHIBIT A
DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement. The District Bonds were sold to the Authority, pursuant to the terms and conditions of the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement. The Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement, including all schedules and exhibits attached thereto, and as assumed by the Issuer are hereby approved and incorporated into this Bond Legislation.

Section 3.12. Reserved.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank or the Issuer and from each other:

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Depreciation Fund (established by the Prior Ordinances); and
- (3) Operation and Maintenance Fund (established by the Prior Ordinances).

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission or the Issuer and from each other:

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

- (6) Series 2000 B Bonds Reserve Account (established by Prior Ordinances);
- (7) Series 2001 A Bonds Sinking Fund (established by Prior Ordinances);
- (8) Series 2001 A Bonds Reserve Account (established by Prior Ordinances);
- (9) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);
- (10) Series 2006 A Bonds Reserve Account (established by Prior Ordinances);
- (11) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);
- (12) Series 2007 A Bonds Reserve Account established by Prior Ordinances);
- (13) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);
- (14) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);
- (15) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);
- (16) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);
- (17) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);
- (18) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);
- (19) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);
- (20) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);
- (21) Series 2010 F Bonds Sinking Fund (established by Prior Ordinances);
- (22) Series 2010 F Bonds Reserve Account (established by Prior Ordinances);
- (23) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);
- (24) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);
- (25) Series 2012 C Bonds Sinking Fund (established by Prior Ordinances);
- (26) Series 2012 C Bonds Reserve Account (established by Prior Ordinances);
- (27) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);
- (28) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);

- (29) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances);
- (30) Series 2014 B Bonds Reserve Account (established by Prior Ordinances);
- (31) Series 2015 A Bonds Sinking Fund;
- (32) Series 2015 A Bonds Reserve Account;
- (33) Series 2015 B Bonds Sinking Fund;
- (34) Series 2015 B Bonds Reserve Account;
- (35) Series 2015 C Bonds Sinking Fund;
- (36) Series 2015 C Bonds Reserve Account;
- (37) Series 2015 D Bonds Sinking Fund; and
- (38) Series 2015 D Bonds Reserve Account

Section 5.03, System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Prior Ordinances and this Bond Legislation. All moneys at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

- (1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amounts required by the respective Prior Ordinances to pay interest on the Series 1995 Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds and Series 2014 B Bonds; and (ii) for deposit in the Series 2015 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2015 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2015 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective Sinking Funds for the Prior Bonds, the amounts required by the respective Prior Ordinances to pay the principal of the Prior Bonds; (ii) for deposit in the Series 2015 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2015 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2015 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; (iii) for deposit in the Series 2015 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2015 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2015 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; (iv) for deposit in the Series 2015 C Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2015 C Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2015 C Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; and (v) for deposit in the Series 2015 D Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2015 D Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2015 D Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective Reserve Accounts for the Prior Bonds, the amounts required by the respective Prior Ordinances to be deposited therein; (ii) for deposit in the Series 2015 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2015 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2015 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 2015 A Bonds Reserve Requirement; (iii) for deposit in the

Series 2015 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2015 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2015 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2015 B Bonds Reserve Requirement; (iv) for deposit in the Series 2015 C Bonds Reserve Account, an amount equal to 1/120th of the Series 2015 C Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2015 C Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2015 C Bonds Reserve Requirement; and (v) for deposit in the Series 2015 D Bonds Reserve Account, an amount equal to 1/120th of the Series 2015 D Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2015 D Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2015 D Bonds Reserve Requirement.

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

(5) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month transfer to the Depreciation Fund, an amount equal to 2 ½% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Depreciation Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Depreciation Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Reserve Accounts (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with moneys from the Depreciation Fund.

(6) After making all of the foregoing deposits and payments, any excess moneys then remaining in the Revenue Fund ("Surplus Revenues") may be used for any lawful purpose of the System.

Moneys in the Series 2015 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2015 A Bonds, as the same shall become due. Moneys in the Series 2015 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2015 A Bonds, as the same shall come due, when other moneys in the Series 2015 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Moneys in the Series 2015 B Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 2015 B Bonds, as the same shall become due. Moneys in the Series 2015 B Bonds Reserve Account shall be used only for the purpose of paying principal of the Series 2015 B Bonds, as the same shall come due, when other moneys in the Series 2015 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Moneys in the Series 2015 C Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 2015 C Bonds, as the same shall become due. Moneys in the Series 2015 C Bonds Reserve Account shall be used only for the purpose of paying principal of the Series 2015 C Bonds, as the same shall come due, when other moneys in the Series 2015 C Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Moneys in the Series 2015 D Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 2015 D Bonds, as the same shall become due. Moneys in the Series 2015 D Bonds Reserve Account shall be used only for the purpose of paying principal of the Series 2015 D Bonds, as the same shall come due, when other moneys in the Series 2015 D Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2015 A Bonds Sinking Fund and the Series 2015 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2015 A Bonds, and then to the next ensuing principal payment due thereon.

All investment earnings on moneys in the Series 2015 B Bonds Sinking Fund and the Series 2015 B Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2015 B Bonds, and then to the next ensuing principal payment due thereon.

All investment earnings on moneys in the Series 2015 C Bonds Sinking Fund and the Series 2015 C Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2015 C Bonds, and then to the next ensuing principal payment due thereon.

All investment earnings on moneys in the Series 2015 D Bonds Sinking Fund and the Series 2015 D Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2015 D Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2015 A Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2015 A Bonds Reserve Requirement shall be

subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2015 B Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2015 B Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2015 C Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2015 C Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2015 D Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2015 D Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2015 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2015 A Bonds Sinking Fund or the Series 2015 A Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2015 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2015 B Bonds Sinking Fund or the Series 2015 B Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2015 B Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2015 C Bonds Sinking Fund or the Series 2015 C Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2015 C Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2015 D Bonds Sinking Fund or the Series 2015 D Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2015 D Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2015 Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2015 A Bonds Sinking Fund, Series 2015 A Bonds Reserve Account, Series 2015 B Bonds Sinking Fund, Series 2015 B Bonds Reserve Account, Series 2015 C Bonds Sinking Fund, Series 2015 C Bonds Reserve Account, Series 2015 D Bonds Sinking Fund, and Series 2015 D Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in Series 2015 A Bonds Sinking Fund, Series 2015 A Bonds Reserve Account, Series 2015 B Bonds Sinking Fund, Series 2015 B Bonds Reserve Account, Series 2015 C Bonds Sinking Fund, Series 2015 C Bonds Reserve Account, Series 2015 D Bonds Sinking Fund, and Series 2015 D Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2015 A Bonds Sinking Fund and the Series 2015 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2015 A Bonds under the conditions and restrictions set forth herein.

The Series 2015 B Bonds Sinking Fund and the Series 2015 B Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2015 B Bonds under the conditions and restrictions set forth herein.

The Series 2015 C Bonds Sinking Fund and the Series 2015 C Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2015 C Bonds under the conditions and restrictions set forth herein.

The Series 2015 D Bonds Sinking Fund and the Series 2015 D Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2015 D Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the required interest, principal and reserve payments with respect to the Series 2015 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the SRF Administrative Fee pursuant to the Bond Purchase Agreement and the ARRA Assistance Agreement.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in the

Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by the Act, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. The Issuer shall make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

G. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

I. All Tap Fees, as received, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

[RESERVED]

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the

Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2015 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2015 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2015 Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2015 Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2015 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2015 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues: Lien Position with respect to Prior Bonds. The payment of debt service of the Series 2015 Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest on the Series 2015 Bonds and the Prior Bonds and to make all other payments provided for in this Bond Legislation and the Prior Ordinances are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted April 15, 2014, the sewer rate ordinance of the Issuer enacted April 15, 2014 and the stormwater rate ordinance of the Issuer enacted December 6, 2011, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2015 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2015 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation, the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation, the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances. Additionally, so long as the Series 2015 Bonds are outstanding and except as otherwise required by law or with the written consent of the DEP and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2015 Bonds, immediately be remitted to the Commission and, with the written permission of the DEP and the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2015 Bonds. Any balance remaining after the payment of the Series 2015 Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$50,000, the Board shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$50,000 but not in excess of \$200,000, the Board shall first, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds of any such sale shall be deposited in the Depreciation Fund. The payment of such proceeds into the Depreciation Fund shall not reduce the amount required to be paid into such account by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$200,000 and insufficient to pay all Bonds then Outstanding, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Series 2015 Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Series 2015 Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System. Moneys received upon any such sale under this paragraph, after deduction of all costs of such sale, shall be deposited in the Revenue Fund.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which

rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2015 Bonds and the Prior Bonds. All obligations issued by the Issuer after the assumption and re-designation of the Series 2015 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2015 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2015 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2015 Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the DEP prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the System, or any other obligations related to the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the assumption and re-designation of the Series 2015 Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2015 Bonds.

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

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

- (1) The Bonds then Outstanding;

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

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

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

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such Parity Bonds. For purposes of this test, the terms “Gross Revenues” and “Net Revenues” shall not include proceeds from the sale of capital assets.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from the Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2015 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2015 Bonds.

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

Section 7.08. Books; Records and Audit. The Board shall permit the Authority and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the System at all reasonable times for the purpose of audit and examination. The Board shall submit to the Authority and the DEP such documents and information as they may reasonably require in connection with the operation and maintenance of the System.

The Board shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Board. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Board. The Board shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Board shall be reported to such agent of the Issuer as the Board shall direct.

The Board shall file with the Authority and the DEP, or any other original purchaser of the Series 2015 Bonds, and shall mail in each year to any Holder or Holders of the Series 2015 Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The Board shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountant (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountant, or a summary thereof, to any Holder or Holders of the Series 2015 Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2015 Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if there are, describes the instances of

noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire the District Assets and shall do, is doing or has done all things necessary to acquire the District Assets. All real estate and interests in real estate and all personal property constituting the District Assets heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Board shall provide the Authority and the DEP, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the DEP with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the assumption and re-designation of the Series 2015 Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2015 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2015 Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit in the respective Series 2015 Bonds Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2015 Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2015 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2015 Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinances described in Section 7.04.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the 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.

Section 7.10. Operating Budget and Monthly Financial Report. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. The Board shall within 30 days of adoption thereof mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the DEP and any Holder of any Bonds or anyone acting for and on behalf of such Holder of any Bonds.

Section 7.11. Operating Personnel. The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Board will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the sewerage portion of the System and any services and facilities of the waterworks portion of the System, to all users of the services of the sewerage system delinquent in payment of charges for the services of the sewerage system and will not restore such services of either the waterworks system or the sewerage system until all delinquent charges for the services of the sewerage system, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the waterworks facilities are not owned by the Issuer, the Issuer shall use diligent efforts to enter into a termination agreement with the provider of such water services, subject to any required approval of such agreements by the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Board will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same

class; and in the event the Issuer or the Board, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, the Board and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance A. The Board hereby covenants and agrees that so long as the Series 2015 Bonds remain Outstanding, the Board will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Board will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation Fund.

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

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

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

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

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

Section 7.16. Mandatory Use. The mandatory use of the sewer facilities of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer. Accordingly, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, every owner, tenant or occupant of any real property located near the sewer portion of the System, and where sewer from real property affects or drains into the sewer portion of the System, shall be deemed to be a user served by the sewer portion of the System and it is declared that the mandatory use of the sewer portion of the System by such real property owner is necessary and essential for the health and welfare of the inhabitants and residents of the Issuer and the State. To the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, every such owner, tenant or occupant shall, after a 30-day notice of the availability of the sewer portion of the System, pay the rates and charges established therefor.

Section 7.17. Operation and Maintenance; Permits and Orders. The Board shall operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Board has obtained all permits required by state and federal laws for the acquisition of the District Assets and assumption and re-designation of the District Bonds and all approvals for acquisition of the District Assets and assumption and re-designation of the District Bonds required by state law, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect.

Section 7.18. Compliance with Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement and Law. The Issuer and the Board shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement, the Bond Purchase Agreement, ARRA Assistance Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer and the Board shall provide the DEP with copies of all documents submitted to the Authority.

The Issuer and the Board shall also comply with all applicable laws, rules and regulations issued by the Authority and the DEP or other state, federal or local bodies in regard to the operation, maintenance and use of the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia in the manner prescribed by the guidelines established by the Authority and the Public Service Commission of West Virginia.

Section 7.19. Reserved.

Section 7.20. Securities Laws Compliance. The Issuer shall provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Reserved.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2015 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2015 Bonds, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2015 Bonds are Outstanding and as long thereafter as necessary to

assure the exclusion of interest, if any, on the Series 2015 Bonds from gross income for federal income tax purposes.

Section 8.02. Covenants as to Use of Proceeds. The Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2015 Bonds as may be necessary in order to maintain the status of the Series 2015 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2015 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the DEP, as the case may be, from which the proceeds of the Series 2015 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the DEP, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the Series 2015 Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2015 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2015 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2015 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2015 Bonds and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due; (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners

including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System; (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds; and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided however, that all rights and remedies of the Holders of the Series 2015 Bonds shall be on a parity with those of the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2015 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2015 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2015 Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the assumption and re-designation of the Series 2015 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following assumption and re-designation of the Series 2015 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2015 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2015 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2015 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2015 Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds, and no

change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2015 Bonds.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed; Prior Ordinances. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Manager, the City Clerk and members of the Governing Body and the Board were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Appointment. The Issuer does hereby appoint, designate and approve the hiring of Steptoe & Johnson PLLC, Charleston, West Virginia, as bond counsel to the Issuer and the Board in connection with the assumption and re-designation by the Issuer of the Series 2015 Bonds.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Dominion Post*, a newspaper published and of general circulation in The City of Morgantown, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the assumption and re-designation of the Series 2015 Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Section 11.09. Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

Passed on First Reading: June 18, 2013

Passed on Second Reading: July 2, 2013

Passed on Final Reading
Following Public Hearing: July 16, 2013

THE CITY OF MORGANTOWN

By: _____
Mayor