



The City of Morgantown

389 Spruce Street
Morgantown, West Virginia 26505
(304) 284-7439 Fax: (304) 284-7525
www.morgantownwv.gov

Office of the City Clerk

AGENDA
MORGANTOWN CITY COUNCIL
COMMITTEE OF THE WHOLE
Tuesday, July 28, 2020
7:00 p.m.

To protect public health during the COVID-19 pandemic, personal attendance at the meeting will not be permitted. When it is time, the public may participate in the public portion by videoconference at the following link: <https://cityofmorgantown.my.webex.com/meet/cityofmorgantown> with meeting number (access code) 793 734 477, or by calling in at the following number 408-418-9388 and using the access code 793 734 477. All members of the public may view the meeting on Channel 15 and by streaming hosted on the City's website at www.morgantownwv.gov. If you do not wish to speak at the meeting, please view it by these methods to conserve capacity on the videoconference. Any person who wishes to speak at the meeting may complete the form at <https://www.morgantownwv.gov/FormCenter/Public-Comment-Sign-Up-Sheet-14/Public-Comment-Committee-of-the-Whole-fo-84> or provide their name, phone number they will use to participate, and the topic on which they would like to speak by texting 304-288-0847. You may sign up to speak at any time until the meeting begins. Additionally, the public may submit written comments for the public portion of the meeting by sending written comments via email to the City Clerk at cwade@morgantownwv.gov. In the email, please use the subject line "Public Comment 07/28/2020" and indicate in the body of the email if you would like your comment read aloud during the public portion of the meeting.

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

PRESENTATIONS:

1. 2020 Housing Needs Assessment – Patrick Bowen, Bowen National Research
2. Imprisonment Penalty for Building Codes - Mike Stone

PUBLIC PORTION:

ITEMS FOR DISCUSSION:

1. Imprisonment Penalty for Building Codes
2. Discussion of Juneteenth beginning June 19, 2021 and moving forward
3. City Departments Updates and Highlights
4. Morgantown Utility Board Bond Ordinance and Supplemental Parameters Resolution

For accommodations, please contact us at 304-288-7072



MEMORANDUM

Date: MON, 20 JUL 2020

To: Emily Muzzarelli, Interim City Manager *via email*

RE: 2020 Housing Needs Assessment | Final Report
Committee of the Whole Presentation | TUE, 28 JUL 2020

City Council’s 2017-2019 Strategic Plan included the goal of “Attainable Housing” with an objective to “Promote quality and diversification of housing.” To advance this objective, former City Manager Paul Brake secured funds in FY 2019 Capital Escrow Account to competitively engage a housing research consultant to prepare a housing affordability market analysis, selecting Bowen National Research to undertake this assignment.

As the project manager, I am pleased to report Patrick Bowen and his team at Bowen National Research have completed a thorough housing needs assessment. The final report represents a robust analysis supported by complete, reliable, relevant, and timely data. The final report (300+ pages) is available at:

<http://www.morgantownwv.gov/DocumentCenter/View/3416/2020-Housing-Needs-Assessment-Report>

Mr. Bowen is prepared to provide a 15- to 20-minute presentation on the assessment and the report’s recommended overall housing strategies during City Council’s Committee of the Whole meeting on TUE, 28 JUL 2020.

Please share this information with City Council in advance so they have sufficient time to review and consume the extensive report.

A few salient points concerning the report:

- The primary geographic scope of this study was the City of Morgantown and its immediate surrounding area, which is referred to as the “PSA” throughout the report. The secondary study area (“SSA”) includes the balance of Monongalia County.
- Population and households are expected to continue to grow within the PSA and SSA over the next five (5) years. While somewhat slower than the growth experienced between 2010 and 2020, this positive demographic growth will contribute to the demand for additional housing in the PSA.
- Owner- and renter-household growth is projected to be positive as is growth among smaller household sizes.
- Representing the greatest projected growth in households are aging Millennials and Seniors.
- While renter household income growth is projected to occur among higher income households, low-income households comprise the majority of renter households.



- Notable owner-occupied household growth is projected to occur among middle- and high-income households.
- The local economy is well balanced with a broad mix of wages by occupation, which adds to the economic stability and strength of the City.
- Roughly 700 rental housing units in Morgantown are considered “substandard.”
- Despite the inventory of affordable rentals and housing assistance provided in the market, PSA residents are still housing cost/rent burdened.
- There is pent-up demand for housing serving very low- and low-income renter households.
- While there are some non-conventional rental alternatives available, such housing is not affordable to a large number of the City’s households.
- Based on the relatively low occupancy rates at several off-campus student housing rental properties in the City, it appears that the student housing market may be overbuilt at this time.

The overall housing strategies provided in the report include:

- Set realistic / obtainable short-term housing goals and outline long-term objectives.
- Develop regional-level housing plans or strategies.
- Consider reaffirming the Housing Advisory Commission’s direction and function and/or hiring a housing director to define and implement housing goals, policies and programs for the City.
- Support efforts to development residential units along or near public transportation corridors and/or within walkable communities.
- Consider implementing / modifying policies to encourage or support the development of new residential units.
- Identify and support programs, funding sources and initiatives that support the development and preservation of housing, particularly affordable housing.
- Support efforts that enable area Seniors to transition into housing to meet their changing needs.

AN ORDINANCE AMENDING CITY CODE SECTION 1713.99 PROVIDING PENALTIES FOR VIOLATION OF THE BUILDING CODE

WHEREAS, The City has adopted the State Building Code as authorized pursuant to West Virginia Code Section 8-12-14 and Title 87, Series 4 of the West Virginia Code of State Rules; and

WHEREAS, the state legislative rules implementing the Building Code provide that certain portions of the technical code are optional and may be adopted by ordinance of a municipality; and

WHEREAS, one optional provision provided at Title 84, Series 4, Section 7.4 of the West Virginia Code of State Rules is establishing a penalty of imprisonment, which is provided as a penalty in the technical codes published by the International Code Council and adopted by the West Virginia State Fire Commission;

NOW, THEREFORE, The City of Morgantown hereby ordains that Section 1713.99 of the City Code is amended as follows:

1713.99. PENALTY.

(a) Any person who shall violate a provision of the State Building Code, as adopted by the City of Morgantown, or shall fail to comply with any of the requirements thereof or who shall erect, construct, alter, or repair a building or structure in violation of an approved plan or directive of the Code Official, or of a permit or certificate issued under the provisions of this Code, shall be guilty of a misdemeanor punishable by a fine of not more than \$500.00. Each day that a violation continues shall be deemed a separate offense.

(b) Each person guilty of a second offense in violation of this article based on the same conditions as an initial violation shall be fined a minimum of two hundred dollars (\$200.00) and not more than five hundred dollars (\$500.00).

(c) Each person guilty of a third offense in violation of this article based on the same conditions as an initial and second violation shall be fined a minimum of five hundred dollars (\$500.00).

(d) Each person guilty of a third or subsequent offense in violation of the International Property Maintenance Code provisions of the Building Code based on the same conditions as an initial and second violation shall be fined a minimum of five hundred dollars (\$500.00) or imprisoned for no more than thirty (30) days, or both.

FIRST READING: _____
Mayor

SECOND READING: _____

ADOPTED: _____
City Clerk

FILED: _____



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City Manager's Office

To: City Council
From: Emily Muzzarelli, P.E.
Interim City Manager
Date: July 23, 2020
RE: Juneteenth Holiday Recognition Options

Morgantown City Council expressed their interest and support for recognizing and celebrating Juneteenth (June 19th) as a City holiday. Juneteenth commemorates the emancipation of enslaved people in the US. It was on that day that the Texan slaves found out they were freed by the Emancipation Proclamation, two and a half years after it happened. Juneteenth is a rich tradition that continues to promote education and self-improvement. Council may choose to recognize Juneteenth as a celebrated holiday in several ways.

Employees fall into two different categories: civil service (some police and fire personnel) and non-civil service. Currently, civil service employees' paid holidays areas specified in WV State Code 2-2-1. Non-civil service employees' holidays are spelled out in the City's Personnel Rules.

Options to consider are:

Add Paid Holiday for All Employees – Offices Closed

To make Juneteenth a paid holiday for all employees (without eliminating another paid holiday), the Personnel Rules would need to be updated to reflect this for both types of employees. Financially, this would only have minor impacts, if any, for non-civil service employees (most do not work on holidays unless there is an emergency). Since civil service employees work 24-7-365, there would costs associated with overtime due to minimum staffing, pay rates for holidays, regular day off, and more. The cost associated with adding a civil service holiday is in the range of \$35,000 - \$45,000 annually. There would be some lost productivity due to the closure of offices.

Add Paid Holiday for Non-Civil Service Employees Only – Offices Closed

To make Juneteenth a paid holiday for only non-civil service employees, the Personnel Rules would need to be updated to reflect this. Financially, this would only have minor costs increases, if any, as most do not work on holidays. There would be some lost productivity due to the closure of offices. In addition, civil service employees may find adding a holiday just to non-civil service employees is unfair.

Add Paid Holiday for Civil Service Employees and Exchange Paid Holiday for Non-Civil Service Employees – Offices Closed

To make Juneteenth a paid holiday for all employees, but to ensure there is no increased costs associated with non-civil service employees, non-civil service employees can have a different paid holiday removed. This would require the Personnel Rules to be updated to reflect this. The cost associated with adding a civil service holiday is in the range of \$35,000 - \$45,000 annually (due to the 24-7-365 nature of their jobs). Because a holiday would be removed for non-civil service employees, this would be at no additional costs for that employee group. There would be no change to productivity on an annual basis. Non-civil service employees may find adding a holiday just to civil service employees is unfair, and there could be disagreements as to which holiday could/should be removed.

Recognized Holiday Where Offices Remain Open

Lastly, the City could recognize Juneteenth as an official holiday, but keep all offices open. This would be similar to other federal or national holidays that are recognized but are not paid holidays for City employees (such as Presidents Day, Easter, Veteran’s Day and more). This would be at no additional cost to the City. Some individuals may feel this is not adequate recognition for such an important holiday.

The City Manager prepares personnel rules and refers them to the Personnel Board, which then reports to the Council its recommendations. When approved by Council, it shall enact an ordinance adopting them, with or without amendment.

Thank you,



Emily Muzzarelli, PE



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City Manager's Office

To: City Council
From: Emily Muzzarelli, P.E.
Interim City Manager
Date: July 23, 2020
RE: City Departments Update and Highlight

During our recent strategic planning session, Council was thrilled to get to have more interaction with staff, get their point of view, and hear more about what projects they are working on, and what is causing some problems within their departments. I felt that providing an informal update on each department may be a great way to highlight some of things City staff are working on and what is coming soon. Our City staff, and especially our management team, are constantly looking for ways to improve the process and projects of their department and work very closely with their staff to provide excellent services to the City. We would not be able to provide the level of service we do without their day in, day out, dedication to the City and its goals. They are truly a fantastic group of people to work with. If you have any questions on what is presented, or suggestions of how to improve this type of update, please let me know.

AIRPORT – Director Jon Vrael

The Morgantown Airport is working on several projects. The Airport recently received a FAA grant for the Design of Runway 18-36 Extension. This grant funds the design for the first phase of the runway extension which includes construction for the \$7.7 million federal award we received earlier this year. As part of the runway extension project, a public media outreach communication program will be put in place. John Clark Associates will be creating the media distribution and conducting public meetings to discuss the runway extension with the community. Besides the runway extension, the airport is in the process of bidding the replacement of all of the public entry doorways. The new doors will be ADA compliant and will have a touchless entry system. The airport is currently working on a new logo design and rebranding the airport with a new name, Morgantown Gateway Airport. This will also include establishing a new name for the airport FBO, Morgantown Gateway Aviation.

ARTS & CULTURE – Director Vincent Kitch

The Department of Arts and Cultural Development continues to monitor COVID-19 restrictions for indoor and outdoor gatherings. A number of scheduled events have been put on hold. In the meantime, preparations continue at the Metropolitan Theatre to host WVU classes mid-August. We are working on a deep clean and purchasing sanitizing equipment in preparation for classes. We also continue to work on arts and cultural policy issues and support community efforts around murals and public art. With Council adding Arts and Culture as a strategic goal, we hope to bring forward a city council resolution supporting arts and culture that will accompany an application to the West Virginia Commission on the Arts (WVCA) for Morgantown to be designated a certified arts community in the State of West Virginia.

BOPARC – Director Melissa Wiles

BOPARC is continuing pool operations 7 days per week through August 9th. All COVID-19 pool mandates and guidelines remain in place. All other organized activities (softball, fitness classes) are operating on a limited basis with additional safety measures followed in consultation with the Mon County Health Department. We are currently evaluating activities for the upcoming season and in consultation with MCHD, we have recently postponed opening the Ice Arena until mid-September. We have been completing internal projects, including playground improvements, ballfield improvements and working through trail needs with MRTC. We are down three FTEs due to the hiring freeze, but we continue to make progress in re-assignment of duties and facility coverage.

CITY CLERK – Clerk Christine Wade

The Clerks Office is working with Municode which will simplify our online Code. This will allow ordinances to be codified as soon as they are adopted by Council. We are hoping to have this new system live sometime in August. Additionally, we are working to create development plans for our staff to ensure we provide the best service, as well as 360-degree evaluations. We continue to work with the City Manager's office to take a hard look at our Boards and Commission structure and will be reaching out to other municipalities to see how they complete their application, interview, and appointment process for volunteers. We will make a recommendation to the Mayor. Although elections are not until April of 2021, the Clerks Office is working to purchase our own election polling boxes (not the machines). We continue to do our regular work of keeping minutes, creating agenda, keeping all official records for the City, and helping with police and fire applications. Fina

CITY MANAGER – Manager Emily Muzzarelli

The City Manger's office has been keeping busy on a wide variety of tasks. Our Grant Writer has been working closely with our Recycling Manager on the Recycle Right campaign, which is a grant through the WV DEP. She will also be working on this year's TAP grant applications, and with local stakeholders to submit a letter of interest to the USA Field

Hockey's request for a new headquarters. Our GIS Analyst has been working with the Wards & Boundaries Commission, utilizing a tool through the ESRI platform, to more closely analyze current ward boundaries, and how that may change. The Commission and our GIS Analyst are working to make a map available for public input, which will then be used to make a final presentation to City Council. The City Manager is working on developing the Strategic Plan document for council and working with local agencies and council to address gaps and limitations on social services, particularly those for the unsheltered population. The City Manager will also be working with the County on a potential TIF District to help support the development of the Commerce Park at the airport.

CODE ENFORCEMENT – Director Mike Stone

As we put Housing Inspections on hold because of COVID-19, our Housing Inspectors have been assigned other duties. Those inspectors with IRC certification (International Residential 1&2 family building inspections), which we have two of, will be assisting in performing residential building inspections. We have one Housing Inspector that has IPMC (International Property Maintenance) certification. That Inspector is now working with our Compliance Officers doing exterior property maintenance and complaint inspections. Lastly, one Housing Inspector is working on vacant and condemned properties. We are short one Housing Inspector due to the hiring freeze.

Also, we are working to obtain approval for our own certification and testing center within the department. If we achieve this, we will no longer have to go out of town or state to take the certification exams. The City may also rent out the testing center to other municipalities looking to get their staff tested and certified. In 2016, I secured ICC (International Code Council) approval for the Morgantown Code Enforcement Department to be an ICC preferred provider. The preferred provider status allows our Code Enforcement Department to have training classes within the department and obtain required CEUs (continued education units) to keep our certification and meet requirements of the State Fire Marshal. If we get approval for the testing and certification center, we will be the only Code Enforcement Department in the state with those approvals, maybe in the country.

COMMUNICATIONS – Director Andrew Stacy

The Communications Department is currently working on several projects. We are trying to work with our departments and our external partners to find creative ways to communicate and interact with the public during the pandemic. For instance, last month we worked with the Morgantown Public Library to create a video series for Channel 15 titled "Library Spotlight" which features members from the Morgantown Public Library System reading stories, making crafts and much more. New episodes are aired on Morgantown 15 on Tuesday's at 10 a.m. and is replayed on Saturday and Sunday at noon.

Some of the other noteworthy project we are working on include a series of short videos on how to recycle right, videos about the Healthy Streets initiative, a Historic Morgantown Brochure, branding materials for the airport, HRM Park and the Metropolitan Theatre, and moving police and fire applications online. This is in addition to our ongoing duties such as the newsletters, social media posts, media relations, news releases, website updates and of course WebEx hosting.

DEVELOPMENT SERVICES

In addition to development plans review and permit approvals, the Development Services Department is currently advancing the following activities:

Following a thorough RFP solicitation process, staff selected a consultant and will be developing a scope of work to re-write the City's subdivision and land development regulations. This is a long overdue project to bring the City's subdivision regulations into compliance with related State Code provisions. Once the scope of work has been finalized, contract negotiations will be paused during the current spending freeze.

With City Council anticipated to create the Wiles Hill Gateway Overlay District recommended by the Planning Commission, staff will be working with the City Engineer's Office to develop a capital improvement plan for the widening identified City streets within the overlay district, beginning with First Street, to accommodate safe and efficient use by motorists and pedestrians. Roadway improvements within the overlay district are a necessary component of attracting economic development interest and delivering affordable housing opportunities.

Staff will be supporting the Land Reuse and Preservation Agency and its committees in its work to: secure allied non-profit and non-government tenants in the co-working space on the second floor of the Spruce Center; support the master site planning and pocket park design and construction project at the Spruce Center; and, secure access rights to further the green belt connections strategy led by the Mon Valley Green Space Coalition.

Staff will be presenting the 2020 Housing Needs Assessment to the Housing Advisory Committee to foster its leadership role in developing affordable housing policy and practice recommendations to City Administration and City Council.

ENGINEERING – Director Damien Davis

The Engineering Department currently has 3 staff members (City Engineer Damien Davis, Executive Secretary Barbara Morgan, and Staff Engineer Drew Gatlin). Due to the hiring freeze we have 2 positions open, the Assistant City Engineer and a new position, Traffic Engineer. We continue to work on several projects as well as daily review of Building and Grading permits. Some of the projects include, finalizing the design of White Ave Slip, installation of Bus Shelters, the removal of a burnt structure on Forest Avenue, Activity

Loops in the City's residential neighborhoods. Within the City's Sunnyside TIF District, we are working on 4 projects, the 8th Street Trailhead, Beechurst Ave Sidewalk, 8th Street Sidewalk and Rail Trail lighting.

The White Ave Slip design is almost complete. The design is a pile and lagging wall similar to walls constructed to fix slips on Forest Ave and Jacob St slip. We anticipate finalizing the design and bidding to take 2 months and construction to be complete within 3 months.

The Bus Shelter installation has been a collaboration with Public Works and Mountain Line Bus. Public Works is finishing the installations of 3 bus shelters on Pleasant Street, Walnut Street and in White Park.

The demolition of 485 Forest Ave should begin withing the next few weeks. We are working with the contractor on a start date to mobilize their equipment.

The Activity Loops concept is to limit traffic on certain residential streets within City neighborhoods to allow and encourage residents to get out and be active within their neighborhood during these uncertain times. Activity Loops are being looked at in most of the City's neighborhoods. Currently, the first demonstration Loop has been setup in the Wagner Street area.

The 8th Street Trailhead began construction on July 16th. It will connect the end of 8th Street down to the Caperton Trail. The construction is expected to be complete within 90 days.

For Beechurst Sidewalk, we have awarded the demolition and reconstruction of the sidewalk adjacent to property along Beechurst between 4 ½ Strteet and 5th Street. This construction is anticipated to begin August 17th.

The 8th Street Sidewalk project will install sidewalk along 8th Street from Beechurst to University Ave. This project is in the final design stage and should be out to Bid in the next 30 days.

The Trail Lighting Project extends from the new 8th Street Trailhead south to approximately Campus Drive. We are finalizing the scope of work and will be selecting a consultant to design the project within the next two to three weeks.

FINANCE – Director Jim Goff

The Finance Department is working through the busiest part of the year with B&O Taxes, Municipal Service Fees, Fire Fees, Business Licensing, and the fiscal year end occurring at once. Of the almost 7,900 fire fee bills sent out, we've fielded about 50 calls so far concerning the 23% fee increase and have had approximately 200 people use the online payment option with three weeks remaining before the early pay discount period ends. We

continue to work through the Municipal Sales Tax implementation and address situations as they arise. We recently shopped the City's property and casualty insurance renewal as well as the City's workers compensation renewal and were able to save the City some premium charges while increasing coverage. On the project side, we are making good progress implementing the OpenGov financial transparency portal funded by the WV State Auditor's Office and plan to be live before the end of the year. OpenGov is a very powerful financial performance tool that we are excited to have. And, we continue submitting CARES Act Applications for COVID-19 reimbursements from the State.

FIRE DEPARTMENT – Chief Mark Caravasos

No update provided by time of packet distribution.

HUMAN RESOURCES – Director John Bihun

The Human Resources Department and the City Finance Department continue to evaluate opportunities for cost savings and efficiency. Effective July 1, we changed from ENCOVA(Brickstreet) to Travelers Insurance to administer our Workers Compensation Program. We estimate this change to save the City in excess of \$15,000 annually.

Working with our brokers, the Human Resources Dept and the City Finance Dept. also evaluated the opportunity to change insurance carriers from 4Most to Cigna. A decision was made to change carriers as of August 1. Cigna will have a larger network with an annual projected savings to the City in excess of several hundreds of thousands of dollars.

Work is currently taking place to replace our previous carrier who provided criminal background checks on our new hires. A new vendor should be selected in the next couple of weeks. We anticipate this vendor will have a more complete and timely result for the City of Morgantown.

Work is continuing in our effort to reduce paper in the Payroll and Human Resources functions. More electronic files are being created for storage and access while we also continue to add information to the City extranet site so that employees will have more access to information and forms.

INFORMATION TECHNOLOGY – Manager Shawn May

IT is working on the finishing up of the phone installs and adding the user preferences for each of the end user.. this includes things such as...paging, Standardizing infrastructure equipment Active directory and email cleanup... IT will also be relocating all server and switch equipment to 430 Spruce St and to the IT lab in the PSB. Since IT installed a new helpdesk ticketing software (December 2019), we have closed 860 tickets. IT lost an engineer, so we have an opening, which is currently vacant due to the hiring freeze. IT will be removing a vendor that is no longer needed in an effort to save the city money. We will

also be creating Vlan's (virtual networks) for each department for ease of administration for IT.

PARKING AUTHORITY – Director Dana McKenzie

The Parking Authority is continuing to install 510 new single-space parking meter mechanisms. The reason for the update is we can no longer audit the old meters due to unsupported software/hardware. The Parking Authority is working with City Engineering, City Police, and the City Arts and Cultural Department to ensure there is proper signage at the HRM park as well as the Walnut Street Landing. It is also that time of year that we have begun to sell new residential permit stickers and student parking garage permits. The Parking Authority has been down two staff members since May because of different FMLA issues. I want to applaud the staff members who have stepped up during this challenging time to ensure that the Parking Authority is meeting the daily needs of the general public.

POLICE DEPARTMENT – Chief Eric Powell

MPD is currently in the process of moving in and setting up the HRMP substation. This should be done next week. I have begun the process of creating a transparency page with Andrew Stacey to add to MPD's web page within the city's site. This will make available for public view certain policies that have recently come into question as well as answer commonly asked questions and provide more detailed statistical information regarding complaints, use of force, and arrest data to include demographic comparisons etc. We will be preparing in the next couple of weeks to hire four new officers and have begun the process of scheduling a promotions exam.

PUBLIC WORKS – Director Alex Stockdale

The Public Works Department has been continuing our maintenance work of mowing, crack sealing, installing signage, patching potholes and repairing vehicles. We have been making efforts to install the new bus shelters, which look great. Additionally, we think the work that was completed near the Pizza Al's intersection on University Avenue made a huge improvement in pedestrian safety. We have completed the renovations at 430 Spruce Street and are now working at the Northside Fire Station, repairing a bathroom and a door. We will be moving to complete painting at the Met Theatre, then list of items at Woodburn associated with the Boys & Girls Club as well as miscellaneous other work. We should be done with the work at Woodburn Elementary by the end of September. The Department is currently operating down 10-12 seasonal staff, 4 federal corrections institute workers, and 3 permanent staff positions due to the hiring freeze, but we continue to take advantage of the minimal traffic and fewer building occupants to complete items on our to-do list.

URBAN LANDSCAPES – Director Marchetta Maupin

The Urban Landscape Department is currently watering 14 flowering hayracks at Lot D, 3 flowering baskets in Parking Lots B & C, 3 flower containers at Walnut St. PRT station, 2 flower containers at the empty lot next to Iron Horse on High St., Aull Center entrance

flower pots and ground planting, 2 flower containers at Morgantown Public Library, annual & perennial plantings at Farmers Market Rain Gardens, Wharf entrance annual flowers, annual & perennial flowers at Marina Tower along Mon River Trail, annuals and perennials at Upper Mon River Center (Table 9), annuals & perennials at Callen Avenue & South University welcome entry. In addition, we are watering trees planted last year or early this spring at White Park Nursery, Beverly & University, Walnut Street Parking Garage, North Side Fire Station. We are adding in trees beginning this week at Hazel Ruby McQuain Park when possible.

We continue to work on improving the rain gardens at North Side Fire Station. Downtown and the Wharf District was designated as a priority during COVID-19 and staffing shortage. When physical distancing becomes an issue in certain areas such as the rail trail, we divert to neighborhood triangles where there are fewer people. The Urban Landscape Department has myself, the Director full time and one part time (29 hours) Horticulturist. Part time horticulturist is currently studying to take the WV Certified Professional Horticulturist exam at the end of July. Our Arborist is currently on catastrophic leave with no specific return date. Urban Landscape has utilized 2 WVU interns from Urban Forestry, Landscape Architecture and Horticulture Schools seasonally for the past 18 years. This year we have none.

I hope that you find this update useful. Our management team works diligently year-round, often times behind the scenes. I believe it is important to know what these women and men are working on, and I will try to regularly provide these types of updates to you. If there is something you are curious about that is not included in this report, please ask!

Thank you,



Emily Muzzarelli, PE

THE CITY OF MORGANTOWN

**Tuesday, July 28, 2020
Committee of the Whole Meeting**

AGENDA ITEMS

1. Discussion and consideration of placement on Agenda for City Council official action of a Bond Ordinance of City Council which would (i) authorize the refunding of The City of Morgantown Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds) (the “Series 2010 A Bonds”), and (ii) authorize the issuance by the City of not more than \$40,000,000 in aggregate principal amount of Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt) (the “Series 2020 A Bonds”) for the purpose of refunding the Series 2010 A Bonds and other matters related thereto.

2. Discussion and consideration of placement on Agenda for City Council official action of a Supplemental Parameters Resolution of City Council which would (i) provide principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sales prices and other terms of the City’s Series 2020 A Bonds; (ii) approve the forms of certain documents in connection with the refunding of the City’s Series 2010 A Bonds and the issuance of the Series 2020 A Bonds; (iii) designate a registrar and paying agent; and (iv) make other provisions as to the Series 2020 A Bonds.

THE CITY OF MORGANTOWN

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE CITY OF MORGANTOWN'S OUTSTANDING COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$40,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020 A (TAX EXEMPT); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, A TAX CERTIFICATE, AN ESCROW AGREEMENT, A TAX COMPLIANCE POLICY AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

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

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

WHEREAS, under the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to issue refunding revenue bonds for the purpose of refunding, paying or discharging all or any part of its outstanding bonds, including the interest thereon, secured by the revenues of the Combined Utility System;

WHEREAS, the Issuer has determined, and hereby determines, that present value debt service savings would result from the Issuer's refunding of its outstanding Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), dated January 28, 2010, issued in the aggregate principal amount of \$37,950,000, and outstanding as of May 31, 2020, in the principal amount of \$36,800,000 (the "Series 2010 A Bonds");

WHEREAS, the Series 2010 A Bonds were issued to finance the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks portion of the Combined Utility System;

WHEREAS, the Issuer has determined that it is in the best interests of the residents of The City of Morgantown and other customers of the Combined Utility System to refund the Series 2010 A Bonds, through the issuance of The City of Morgantown Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt), in the aggregate principal amount of not more than \$40,000,000 (the “Series 2020 A Bonds”);

WHEREAS, the Issuer has determined to enact this Ordinance to authorize the issuance of the Series 2020 A Bonds (the “Series 2020 A Ordinance”), such Series 2020 A Bonds to have such security and such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, the Series 2020 A Bonds will be issued on a parity with the Prior Bonds and any Additional Parity Bonds (as hereinafter defined) with respect to their lien on and security interest in the Gross Revenues of the Combined Utility System, and the Series 2020 A Bonds shall contain such other terms and provisions as are hereinafter provided, all in the manner set forth herein; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City and other customers of the Combined Utility System that its Series 2020 A Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement (the “Bond Purchase Agreement”) between the Issuer and the Original Purchaser;

NOW, THEREFORE, THE CITY OF MORGANTOWN HEREBY ORDAINS:

ARTICLE I
DEFINITIONS, STATUTORY AUTHORITY, FINDINGS

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

“Act” means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2020 A Bonds.

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

“Authorized Officer” means the Mayor and/or the City Manager of the Issuer or any other officer of the Issuer specifically designated by resolution of the Council of the Issuer.

“Board” shall mean The City of Morgantown Utility Board, created by an ordinance of the Issuer, or any successor thereto, the authorized officers for which are the Board’s General Manager and/or Assistant General Manager.

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

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

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

“Bond Insurer” means any entity which shall issue a municipal bond insurance policy to insure all or any portion of the payment of principal of and interest on the Bonds and/or provide a municipal bond debt service reserve insurance policy, or other financial instrument, for the purpose of funding, in whole or in part, the Series 2020 A Bonds Reserve Account, and with respect to the Series 2020 A Bonds, shall initially mean the bond insurer, if any, named in the Supplemental Resolution.

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

“Bond Register” means the books of the Issuer maintained by the Registrar for the registration and transfer of Series 2020 A Bonds.

“Bond Year” means, with respect to each series of Series 2020 A Bonds, the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

“Bonds” means, collectively, the Series 2020 A Bonds, the Prior Bonds and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

“Certificate of Authentication and Registration” means the Certificate of Authentication and Registration on the Series 2020 A Bonds in substantially the form set forth in “EXHIBIT A – FORM OF SERIES 2020 A BONDS,” attached hereto.

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

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

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

“Closing Date” means the date upon which there is an exchange of the Series 2020 A Bonds for the proceeds representing the original purchase price thereof.

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

“Combined Utility System” means, collectively, the Potable Water System, the Sewer System and the Stormwater System (all as defined herein) of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include any additions, betterments and improvements hereafter acquired, constructed and/or equipped for the Potable Water System, the Sewer System or the Stormwater System, located both within, and outside of, the Issuer’s corporate boundaries.

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

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

“Costs,” “Costs of Issuance” or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto including, without limitation, those costs set forth in Section 1.03D.

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

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

“Depository Bank” means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association, eligible under the

laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

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

“DTC-eligible” means, with respect to the Series 2020 A Bonds, meeting the qualifications prescribed by DTC.

“Escrow Agent” means the Bond Commission, or any successor appointed by the Issuer under the Escrow Agreement.

“Escrow Agreement” means the agreement to be entered into between the Issuer and the Escrow Agent, providing for the payment of the outstanding principal of, and interest on, the Series 2010 A Bonds on December 1, 2020, and the payment of all interest thereon until such date, through the deposit therein of cash from, and securities purchased with, a portion of the proceeds of the Series 2020 A Bonds, moneys of the Issuer in the various funds and accounts pledged to the Series 2010 A Bonds and other matters in connection therewith.

“Escrow Fund” means the escrow trust fund established pursuant to the Escrow Agreement.

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

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

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

“Government Obligations” means certificates, or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States is pledged for the payment of principal and interest.

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

“Independent Certified Public Accountant” means the Chief Inspector Division of the West Virginia Auditor’s Office or any licensed Certified Public Accountant or firm of licensed Certified Public Accountants that shall at any time hereafter be retained by the Issuer or the Board to prepare an independent annual or special audit of the accounts of the Combined

Utility System or for any purpose except keeping the accounts of said Combined Utility System in the normal operations of its business and affairs, and specifically shall not include any Certified Public Accountant who is an employee of either the City or the Board.

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

“Maximum Annual Debt Service” means, at the time of computation, the greatest amount of aggregate Debt Service required to be paid on then outstanding Bonds and proposed Additional Parity Bonds (if any) for the then current or any succeeding Fiscal Year, less any interest due in any Fiscal Year for which interest has been capitalized, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

“Mayor” means the Mayor of the Issuer.

“Municipal Bond Insurance Policy” means the municipal bond insurance policy, if any, issued by any Bond Insurer simultaneously with the delivery of the Series 2020 A Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2020 A Bonds, in accordance with the terms thereof.

“Municipal Bond Debt Service Reserve Insurance Policy” means a municipal bond debt service reserve insurance policy, and may subsequently mean a letter of credit, surety bond or other financial instrument which is pledged to the Series 2020 A Bonds Reserve Account in the amount of the Series 2020 A Bonds Reserve Requirement.

“Net Proceeds” means the face amount of the Series 2020 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and less proceeds deposited in the Series 2020 A Bonds Reserve Account, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2020 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

“Nonpurpose Investment” means any Investment Property which is acquired with the gross proceeds of the Series 2020 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 2020 A Bonds.

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

“Original Purchaser” means Crews & Associates, Inc., Charleston, West Virginia, which firm also has a Morgantown, West Virginia office.

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

“Paying Agent” means, initially, the Bond Commission and any other paying agent for the Series 2020 A Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

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

“Prior Bonds” means, collectively, the Series 2000 A Bonds, Series 2000 B Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 A Bonds, Series 2016 B-1 Bonds, Series 2017 A Bonds, Series 2018 A Bonds, Series 2018 A-2 Bonds, Series 2018 B Bonds, Series 2019 A Bonds and Series 2019 B Bonds.

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

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

“Purchase Price” for the purpose of computation of the Yield of the Series 2020 A Bonds, has the same meaning as the term “issue price” in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2020 A Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2020 A Bonds of each maturity is sold or, if the Series 2020 A Bonds are privately placed, the price paid by the first buyer of the Series 2020 A Bonds or the acquisition cost of the first buyer. “Purchase Price,” for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2020 A Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2020 A Bonds.

“Qualified Investments” means and includes any investment permitted to be made by a municipality, public service district or public corporation of the State pursuant to State Law, specifically including, but not limited to, Chapter 8, Article 13, Section 22 of the Code of West Virginia, and the West Virginia “consolidated fund” managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia.

“Record Date” means the date or dates which shall be so stated in the Series 2020 A Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

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

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

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

“Registrar” means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2020 A Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

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

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

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

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

“Series 2006 A Bonds” means the Issuer’s 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.

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

“Series 2010 A Bonds” means the Issuer’s 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”);

“Series 2010 A Bonds Ordinance” means, collectively, the ordinance of the Issuer, as supplemented by one or more supplemental resolutions and/or certificates of determination, which authorized the issuance of the Series 2010 A Bonds.

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

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

“Series 2010 E Bonds” means the Issuer’s 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.

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

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

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

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

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

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

“Series 2016 B-1 Bonds” means the Issuer’s Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), of the Issuer, dated December 15, 2016, issued in the aggregate principal amount of \$25,000,000.

“Series 2017 A Bonds” means the Issuer’s Combined Utility Revenue Bonds, Series 2017 A (Bank Qualified), dated December 21, 2017, issued in the original aggregate principal amount of \$2,695,000.

“Series 2018 A Bonds” means the Issuer’s Combined Utility System Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), dated January 31, 2018, issued in the original aggregate principal amount of \$394,074.

“Series 2018 A-2 Bonds” means the Issuer’s Combined Utility System Revenue Bonds, Series 2018 A-2 (West Virginia Infrastructure Fund), dated July 10, 2018, issued in the original aggregate principal amount of \$140,715.

“Series 2018 B Bonds” means the Issuer’s Combined Utility System Revenue Bonds, Series 2018 B (Tax-Exempt), dated June 28, 2018, issued in the original aggregate principal amount of \$44,260,000.

“Series 2019 A Bonds” means the Issuer’s Combined Utility System Revenue Bonds, Series 2019 A (West Virginia DWTRF Program), dated October 22, 2019, issued in the original aggregate principal amount of \$1,068,500.

“Series 2019 B Bonds” means the Issuer’s Combined Utility System Revenue Bonds, Series 2019 B (West Virginia DWTRF Program), dated October 22, 2019, issued in the original aggregate principal amount of \$2,546,000.

“Series 2020 A Bonds” means the Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt), of the Issuer, authorized to be issued in the aggregate principal amount of not more than \$40,000,000 pursuant to this Ordinance and the Supplemental Resolution.

“Series 2020 A Bonds Costs of Issuance Fund” means the Series 2020 A Bonds Costs of Issuance Fund created by Section 4.01 hereof.

“Series 2020 A Bonds Redemption Account” means the Redemption Account created in the Series 2020 A Bonds Sinking Fund by Section 4.02 hereof.

“Series 2020 A Bonds Reserve Account” means the Series 2020 A Bonds Reserve Account created in the Series 2020 A Bonds Sinking Fund by Section 4.02 hereof.

“Series 2020 A Bonds Reserve Requirement” means an amount equal to the least of (i) 10% of the original aggregate principal amount of the Series 2020 A Bonds, (ii) Maximum Annual Debt Service on the Series 2020 A Bonds at the time of original issuance of the Series 2020 A Bonds, or (iii) 125% of the average annual Debt Service on the Series 2020 A Bonds calculated at the time of original issuance of the Series 2020 A Bonds.

“Series 2020 A Bonds Sinking Fund” means the Series 2020 A Bonds Sinking Fund created by Section 4.02 hereof.

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

“State” means the State of West Virginia.

“Stormwater System” means, collectively, the stormwater management and conveyance facilities of the Combined Utility System which specifically includes, but is not

limited to, pipe, culverts, channels and watercourses, as presently existing in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereinafter acquired, constructed and/or equipped for the Stormwater System, located both within, and outside of, the Issuer's corporate boundaries.

“Supplemental Resolution” means, collectively, any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article “the,” refers specifically to the Supplemental Parameters Resolution or Supplemental Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Bond Insurer provisions (if any) and other terms of the Series 2020 A Bonds and authorizing the sale of the Series 2020 A Bonds to the Original Purchaser; provided, that any provision intended to be included in a Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

“Surplus Revenues” means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2020 A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund (as defined and described in the Prior Ordinances), the respective sinking funds and reserve accounts therein.

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

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

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

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

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

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

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

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

B. The Issuer presently owns and operates, through the Board, a public combined potable waterworks, sanitary sewerage, and stormwater utility system, the design, acquisition, construction and equipping of additions, betterments and improvements for which have been financed or refinanced through the issuance of the Prior Bonds and the Series 2010 A Bonds.

C. The Issuer has determined that present value debt service savings will result from the refunding of the Series 2010 A Bonds, and that it is in the best interest of the residents of The City of Morgantown and the customers of the Combined Utility System to refund the Series 2010 A Bonds.

D. It is deemed necessary for the Issuer to issue its Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt), in the aggregate principal amount of not more than \$40,000,000, in order to pay, along with other funds of the Issuer available therefor, all or a portion of the cost of purchasing securities in an amount sufficient, including earnings on such securities, and to provide cash therefor, to pay in full the outstanding principal amount of, and all interest accrued on, the Issuer's Series 2010 A Bonds on December 1, 2020. Said costs shall be deemed to include, but not be limited to, amounts which may be deposited in the Series 2020 A Bonds Reserve Account; underwriter's discount, engineering and legal expenses; expenses for estimates of costs and revenues; administrative expenses; commitment fees; the premium for a Municipal Bond Insurance Policy; the premium for a Municipal Bond Debt Service Reserve Insurance Policy; discount; initial fees for the services of registrars, paying agents, escrow agents, depositories or trustees or other costs in connection with the sale of the Series 2020 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; and the performance of the things herein required or permitted, in connection with any thereof.

E. The period of usefulness of the Combined Utility System is not less than 30 years.

F. It is in the best interests of the Issuer that the Series 2020 A Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by Supplemental Resolution of the Issuer.

G. There are or will be outstanding obligations of the Issuer which will rank on a parity with the Series 2020 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Prior Bonds and any hereinafter issued Additional Parity Bonds, as provided in this Ordinance.

Prior to the issuance of the Series 2020 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent, if required, of the Holders of the Prior Bonds. The Series 2014 B Bonds, Series 2016 A Bonds, Series 2017 A Bonds and Series 2018 B Bonds do not require written consent from the holders thereof.

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

System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

H. The Issuer intends to issue the Series 2020 A Bonds, and to pledge for payment thereof, the Gross Revenues of the Combined Utility System, on a parity with one another and on a parity with such pledge in favor of the Holders of the Prior Bonds and any hereinafter issued Additional Parity Bonds.

I. The estimated revenues to be derived in each year after the date hereof from the operation of the Combined Utility System will be sufficient to provide for the repair, maintenance and operation of the Combined Utility System, to pay the principal of and interest on the Series 2020 A Bonds and the Prior Bonds as and when it becomes due and reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

J. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2020 A Bonds, and secure the Series 2020 A Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the Combined Utility System, the monies in the Series 2020 A Bonds Sinking Fund, including the Series 2020 A Bonds Reserve Account therein, unexpended proceeds of the Series 2020 A Bonds and as further set forth herein.

K. The Series 2020 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in “EXHIBIT A – FORM OF SERIES 2020 A BONDS” attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

L. All things necessary to make the Series 2020 A Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2020 A Bonds, will be timely done and duly performed.

M. The enactment of this Ordinance and the execution and issuance of the Series 2020 A Bonds, as described herein, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

N. Prior to refunding the Series 2010 A Bonds, the Issuer will have complied with all requirements of West Virginia law relating to the operation of the Combined Utility System, the refunding of the Series 2010 A Bonds, and issuance of the Series 2020 A Bonds including but not limited to Chapter 24, Article 2, Paragraph 11(l), if required.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2020 A Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer

shall be for the equal benefit, protection and security of the legal Holders of any and all of such Series 2020 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2020 A Bond and any other Series 2020 A Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding of Series 2010 A Bonds. All Series 2010 A Bonds Outstanding as of the date of issuance of the Series 2020 A Bonds and all unpaid interest accrued thereon, if any, are hereby ordered to be defeased with securities and cash deposited pursuant to the Escrow Agreement and paid in full on the earliest call date and the pledge of Gross Revenues in favor of the Registered Owners of the Series 2010 A Bonds imposed by the Series 2010 A Bonds Ordinance, the monies in the funds and accounts created by the Series 2010 A Bonds Ordinance pledged to payment of the Series 2010 A Bonds, and any other funds pledged by the Series 2010 A Bonds Ordinance to payment of the Series 2010 A Bonds are hereby ordered terminated, discharged and released upon the deposit of such securities and cash with the Escrow Agent pursuant to the Escrow Agreement. Contemporaneously with the defeasance of the Series 2010 A Bonds, the amounts remaining on deposit not required for the defeasance of the Series 2010 A Bonds, in the sinking fund, and the reserve account therein, and all other funds and accounts created and maintained on behalf of the Series 2010 A Bonds, except the Escrow Fund, shall be released from the lien created by the Series 2010 A Bonds Ordinance authorizing the issuance of the Series 2010 A Bonds.

ARTICLE III THE SERIES 2020 A BONDS

Section 3.01. Form and Payment of Bonds. No Series 2020 A Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2020 A Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2020 A Bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof for any year of maturity. All Series 2020 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2020 A Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2020 A Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2020 A Bonds shall be in default, Bonds issued in exchange for Series 2020 A Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2020 A Bonds surrendered.

The principal of, and the interest and premium, if any, on, the Series 2020 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of

America and in the case of payment of principal and premium, if any, upon surrender of such Series 2020 A Bonds at the principal office of the Paying Agent. Interest on the Series 2020 A Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of \$1,000,000 or more of the Series 2020 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2020 A Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Series 2020 A Bond in the principal amount of said Series 2020 A Bond then Outstanding.

Section 3.02. Execution of the Series 2020 A Bonds. The Series 2020 A Bonds shall be executed in the name of the Issuer by the Mayor and the City Manager, by their manual or facsimile signatures, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2020 A Bonds shall cease to be such officer of the Issuer before the Series 2020 A Bonds so signed and sealed have been actually sold and delivered, such Series 2020 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2020 A Bonds had not ceased to hold such office. Any Series 2020 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2020 A Bonds shall hold the proper office in the Issuer, although at the date of such Series 2020 A Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2020 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2020 A Bond, substantially in the form set forth in “EXHIBIT A – FORM OF SERIES 2020 A BONDS” attached hereto and incorporated herein by reference with respect to the Series 2020 A Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2020 A Bond shall be conclusive evidence that such Series 2020 A Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2020 A Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2020 A Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2020 A Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2020 A Bonds, in accepting any of said Series 2020 A Bonds, shall be conclusively deemed to have agreed that such Series 2020 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of

the State, and each successive Holder of the Series 2020 A Bonds shall further be conclusively deemed to have agreed that said Series 2020 A Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2020 A Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2020 A Bonds. The Series 2020 A Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2020 A Bond, there shall be issued at the option of the Holder of the Series 2020 A Bonds or the transferee another Series 2020 A Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Series 2020 A Bond and of the same series, interest rate and maturity of said transferred Series 2020 A Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2020 A Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Series 2020 A Bonds, of the same maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2020 A Bond is exercised, Series 2020 A Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2020 A Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2020 A Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2020 A Bonds, the Registrar may impose a service charge. For every such transfer or exchange of Series 2020 A Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2020 A Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2020 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Series 2020 A Bond of like series, maturity and principal amount as the Series 2020 A Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Series 2020 A Bond, or in lieu of and substitution for the Series 2020 A Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Series 2020 A Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar

may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2020 A Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Series 2020 A Bond shall have matured or be about to mature, instead of issuing a substitute Series 2020 A Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Series 2020 A Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Series 2020 A Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2020 A Bonds be at any time found by any one, and such duplicate Series 2020 A Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued as part of the Series 2020 A Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2020 A Bonds Redemption Account in accordance with Section 4.03 shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2020 A Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

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

3. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit

provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2020 A Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2020 A Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2020 A Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of \$5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2020 A Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail or electronic transmission at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer and the registered owner of the Series 2020 A Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2020 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

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

- (1) The Redemption Date,
- (2) The Redemption Price,
- (3) If less than all Outstanding Series 2020 A Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2020 A Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Series 2020 A Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Series 2020 A Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar, and

(6) Such other information, if any, as shall be required for DTC-Eligible Bonds.

If funds sufficient to redeem all Series 2020 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing or otherwise distributing any notice of optional redemption, such notice shall also state that such optional redemption is conditioned on, and subject to, the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2020 A Bonds called for redemption of such fact and no holder of any Series 2020 A Bonds shall have any claim of any type, of law or in equity, against the Issuer.

Official notice of redemption having been given as aforesaid, the Series 2020 A Bonds, or portions of the Series 2020 A Bonds so to be redeemed, shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2020 A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such Bond. All Series 2020 A Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2020 A Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Series 2020 A Bond is registered as the owner of such Series 2020 A Bond for the purpose of receiving payment of the principal of, and interest on, such Series 2020 A Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Series 2020 A Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form,

substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 2020 A Bonds. For the purposes of, in combination with other funds of the Issuer available therefor, purchasing securities, or providing cash, to defease the entirety of the outstanding principal of and all accrued interest on the Series 2010 A Bonds, paying the premium for a Municipal Bond Insurance Policy (if any), funding the Series 2020 A Bonds Reserve Account with proceeds of the Series 2020 A Bonds or paying the premium for a Municipal Bond Debt Service Reserve Insurance Policy (if any), in an amount equal to the Series 2020 A Bonds Debt Service Reserve Requirement and paying costs in connection with the issuance of the Series 2020 A Bonds, or any or all such purposes, there shall be issued the Series 2020 A Bonds of the Issuer, in an aggregate principal amount of not more than \$40,000,000. Said Series 2020 A Bonds shall be designated “Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt)” or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in the Supplemental Resolution, and shall be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2020 A Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2020 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2020 A Bonds shall be dated; shall be in such aggregate principal amount (not to exceed \$40,000,000); shall bear interest at such rate or rates, (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 30 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2020 A Bonds. A. The Series 2020 A Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2020 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2020 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2020 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2020 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2020 A Bond or any other evidence of ownership of the Series 2020 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2020 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2020 A Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the “Representation Letter”). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2020 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2020 A Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of, or interest on, the Series 2020 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2020 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2020 A Bonds so redeemed, but DTC may retain such Series 2020 A Bonds and make an appropriate notation on the Series 2020 A Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2020 A Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2020 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2020 A Bonds, selecting the Series 2020 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2020 A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2020 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2020 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2020 A Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2020 A Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2020 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2020 A Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2020 A Bonds. In either of such events

(unless in the case described in clause (iii) above, the Issuer appoints a successor securities depository), the Series 2020 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2020 A Bonds.

Section 3.12. Delivery of Series 2020 A Bonds. The Issuer shall execute and deliver the Series 2020 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2020 A Bonds to the Original Purchaser upon receipt of the documents set forth below:

- (1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2020 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;
- (2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2020 A Bonds to DTC for the benefit of the Original Purchaser;
- (3) Copies certified by the City Clerk of this Ordinance and the Supplemental Resolution;
- (4) The unqualified approving opinion upon the Series 2020 A Bonds by Bond Counsel; and
- (5) Such other opinions, certificates and documents as shall be reasonably requested by the Original Purchaser.

Section 3.13. Form of Series 2020 A Bonds. The definitive Series 2020 A Bonds shall be in substantially the form set forth in “EXHIBIT A – FORM OF SERIES 2020 A BONDS” attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2020 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval.

Section 3.14. Disposition of Proceeds of Series 2020 A Bonds. Upon the issuance and delivery of the Series 2020 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2020 A Bonds from the date thereof to the date of delivery thereof, if any, shall be deposited in the Series 2020 A Bonds Sinking Fund and applied to payment of interest on the Series 2020 A Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2020 A Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer.

3. An amount of the proceeds of the Series 2020 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2020 A Bonds Reserve Account; provided, that to the extent the Series 2020 A Bonds Reserve Requirement is satisfied in whole or in part from a Municipal Bond Debt Service Reserve Insurance Policy, proceeds of the Series 2020 A Bonds shall be (i) paid to the Bond Insurer, via wire transfer, in an amount equal to the premium for the Municipal Bond Debt Service Reserve Insurance Policy and (ii) deposited in the Series 2020 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2020 A Bonds Reserve Requirement.

4. An amount of the proceeds of the Series 2020 A Bonds which shall, along with other monies available therefor, be sufficient to purchase securities, the principal amount of which, and earnings thereon, shall be sufficient to pay the outstanding principal of, and interest on, the Series 2010 A Bonds on the first call date therefor, and to make any payment of interest and/or principal prior to the first call date for the Series 2010 A Bonds, shall be deposited into the Escrow Fund for the Series 2010 A Bonds held by the Bond Commission as Escrow Agent.

5. The amount of Series 2020 A Bond proceeds which, together with other monies or securities deposited therein, shall be equal to the Costs of Issuance of the Series 2020 A Bonds, shall be deposited with the Depository Bank in the Series 2020 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2020 A Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2020 A Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2020 A Bonds Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 2020 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2020 A Bonds from which such proceeds are derived.

ARTICLE IV
COMBINED UTILITY SYSTEM REVENUES;
FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by Prior Ordinances), and shall be held by, the Depository Bank,

segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other (except as set forth in this Section 4.01), and used solely for the purposes provided herein:

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Depreciation Fund (established by the Prior Ordinances);
- (3) Operation and Maintenance Fund (established by the Prior Ordinances);
- (4) Series 2020 A Bonds Costs of Issuance Fund; and
- (5) Rebate Fund.

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

- (1) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);
- (2) Series 2000 A Bonds Reserve Account (established by Prior Ordinances);
- (3) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances);
- (4) Series 2000 B Bonds Reserve Account (established by Prior Ordinances);
- (5) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);
- (6) Series 2006 A Bonds Reserve Account (established by Prior Ordinances);
- (7) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);
- (8) Series 2007 A Bonds Reserve Account established by Prior Ordinances);
- (9) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);
- (10) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);
- (11) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);
- (12) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);

- (13) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);
- (14) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);
- (15) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);
- (16) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);
- (17) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);
- (18) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);
- (19) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances);
- (20) Series 2014 B Bonds Reserve Account (established by Prior Ordinances);
- (21) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances);
- (22) Series 2015 A Bonds Reserve Account (established by Prior Ordinances);
- (23) Series 2015 B Bonds Sinking Fund (established by Prior Ordinances);
- (24) Series 2015 B Bonds Reserve Account (established by Prior Ordinances);
- (25) Series 2015 C Bonds Sinking Fund (established by Prior Ordinances);
- (26) Series 2015 C Bonds Reserve Account (established by Prior Ordinances);
- (27) Series 2015 D Bonds Sinking Fund (established by Prior Ordinances);
- (28) Series 2015 D Bonds Reserve Account (established by Prior Ordinances);
- (29) Series 2015 E Bonds Sinking Fund (established by Prior Ordinances);
- (30) Series 2015 E Bonds Reserve Account (established by Prior Ordinances);

- (31) Series 2016 A Bonds Sinking Fund (established by Prior Ordinances);
- (32) Series 2016 A Bonds Reserve Account (established by Prior Ordinances);
- (33) Series 2016 B-1 Bonds Sinking Fund (established by Prior Ordinances);
- (34) Series 2016 B-1 Bonds Reserve Account (established by Prior Ordinances);
- (35) Series 2017 A Bonds Sinking Fund (established by Prior Ordinances);
- (36) Series 2017 A Bonds Reserve Account (established by Prior Ordinances);
- (37) Series 2018 A Bonds Sinking Fund (established by Prior Ordinances);
- (38) Series 2018 A Bonds Reserve Account (established by Prior Ordinances);
- (39) Series 2018 A-2 Bonds Sinking Fund (established by Prior Ordinances);
- (40) Series 2018 A-2 Bonds Reserve Account (established by Prior Ordinances);
- (41) Series 2018 B Bonds Sinking Fund (established by Prior Ordinances);
- (42) Series 2018 B Bonds Reserve Account (established by Prior Ordinances);
- (43) Series 2019 A Bonds Sinking Fund (established by Prior Ordinances);
- (44) Series 2019 A Bonds Reserve Account (established by Prior Ordinances);
- (45) Series 2019 B Bonds Sinking Fund (established by Prior Ordinances);
- (46) Series 2019 B Bonds Reserve Account (established by Prior Ordinances);
- (47) Series 2020 A Bonds Sinking Fund; and
- (48) Series 2020 A Bonds Reserve Account.

Section 4.03. Combined Utility System Revenues and Application Thereof. So long as any of the Series 2020 A Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

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

(1) The Issuer shall first, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Sinking Funds for the Prior Bonds for the payment of interest on the Prior Bonds; and (ii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2020 A Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2020 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2020 A Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2020 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2020 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2020 A Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2020 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2020 A Bonds Sinking Fund.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Sinking Funds for the Prior Bonds for the payment of principal of the Prior Bonds; and (ii) for deposit in the Series 2020 A Bonds Sinking Fund (and in the Series 2020 A Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2020 A Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2020 A Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2020 A Bonds on the next ensuing principal payment or mandatory Redemption Date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2020 A Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2020 A Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of

principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2020 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective reserve accounts for the Prior Bonds; and (ii) commencing 13 months prior to the first date of payment of principal of the Series 2020 A Bonds, if not fully funded upon issuance of the Series 2020 A Bonds, for deposit in the Series 2020 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2020 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2020 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 2020 A Bonds Reserve Requirement; provided further, that if the amounts in the Series 2020 A Bonds Reserve Account, as a result of a decrease in value of the Series 2020 A Bonds Reserve Account below the Series 2020 A Bonds Reserve Account Requirement or any withdrawal from the Series 2020 A Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2020 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2020 A Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2020 A Bonds Reserve Account is less than the Series 2020 A Bonds Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2020 A Bonds Reserve Account for deposit into the Series 2020 A Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2020 A Bonds Reserve Account to an amount equal to the Series 2020 A Bond Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2020 A Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2020 A Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2020 A Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2020 A Bond Reserve Account Requirement.

Amounts deposited in, or pledged to, the Series 2020 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2020 A Bonds when due, when amounts in the Series 2020 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

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

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

any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Ordinances so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, or improvements or extensions to the Combined Utility System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such Reserve Account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2020 A Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2020 A Bonds, if any, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

D. Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2020 A Bonds and any hereinafter issued Additional Parity Bonds all in accordance with the respective principal amounts then Outstanding.

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

Section 5.01. Investments. The Issuer, through the Board, shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified

Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall, through the Board, sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer, through the Board, may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

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

(A) Qualified Investments acquired for the Series 2020 A Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer, through the Board, shall, or shall cause the Bond Commission to, annually transfer from the Series 2020 A Bonds Reserve Account to the Series 2020 A Bonds Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2020 A Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2020 A Bonds Reserve Account an amount at least equal to the Series 2020 A Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2020 A Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If no longer funded with a Municipal Bond Debt Service Reserve Insurance Policy equal to the Series 2020 A Bonds Reserve Requirement and the amounts on deposit in the Series 2020 A Bonds Reserve Account shall, at any time, be less than the applicable Series 2020 A Bonds Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the respective sinking funds for the Prior Bonds and the Series 2020 A Bonds Sinking Fund and otherwise in accordance with Section 4.03(3).

(D) All amounts representing accrued and capitalized interest, if any, shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2020 A Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all monies deposited in the Series 2020 A Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia “consolidated fund” managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. [Reserved.]

Section 5.03. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2020 A Bonds in such manner and to such extent as may be necessary, so that such Series 2020 A Bonds will not constitute “arbitrage bonds” under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Series 2020 A Bonds) so that the interest on the Series 2020 A Bonds will be and remain excludable from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.04. Tax Certificate, Rebates, and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the “Tax Certificate”) to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2020 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2020 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the Combined Utility System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis,

from any funds lawfully available therefor. The Issuer at its expense may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.04. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.04 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2020 A Bonds from gross income for federal income tax purposes.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2020 A Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2020 A Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2020 A Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. The Series 2020 A Bonds not to be Indebtedness of the Issuer. The Series 2020 A Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the Combined Utility System or the monies in the Series 2020 A Bonds Sinking Fund and all accounts therein, all as herein provided. No Holder or Holders of any Series 2020 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2020 A Bonds or the interest thereon.

Section 6.03. Series 2020 A Bonds Secured by Pledge of Gross Revenues and Monies in Series 2020 A Bonds Sinking Fund. The payment of the debt service of all of the Series 2020 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the Combined Utility System on a parity with one another and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds and hereafter issued Additional Parity Bonds, and with respect to the Series 2020 A Bonds, all monies and securities in the Series 2020 A Bonds Sinking Fund, including the Series 2020 A Bonds Reserve Account therein, to the extent necessary to make the payments required under Section 4.03. The Gross Revenues derived from the Combined Utility System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, the Series 2020 A Bonds herein authorized and any hereinafter issued Additional Parity Bonds, and to make the payments into the Series 2020 A Bonds Sinking Fund, including the Series 2020 A Bonds Reserve Account therein, are pledged *pari passu* by the Issuer.

Section 6.04. Rates. Equitable rates or charges for the use of and service rendered by the Combined Utility System have been established all in the manner and form required by law. Copies of such rates and charges so established may be obtained from the Board by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the Combined Utility System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the Combined Utility System (i) to provide for all Operating Expenses of the Combined Utility System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2020 A Bonds and all other obligations secured by a lien on or payable from such Gross Revenues on a parity with the Series 2020 A Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the Combined Utility System within 180 days following a determination of an Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

The Issuer expressly reserves the right to reduce the rates for the Combined Utility System, whether approved or in effect as of the date of issuance of the Series 2020 A Bonds, in the event that, based on a certificate of an Independent Certified Public Accountant, after any such decrease in rates, the Issuer will meet the requirements of this Section 6.04 and is not in default under any other provision of any ordinance authorizing any bonds or other indebtedness secured by the Gross Revenues of the Combined Utility System.

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

Section 6.06. Sale of the Combined Utility System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the Combined Utility System, except as provided by the Prior Ordinances. Additionally, so long as the Series 2020 A Bonds are Outstanding, the Combined Utility System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the Combined

Utility System shall be immediately remitted to the Bond Commission for deposit in the Series 2020 A Bonds Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Gross Revenues of the Combined Utility System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the Combined Utility System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of \$5,000,000, the Board shall, in writing, determine that such property comprising a part of the Combined Utility System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be used for any lawful purpose of the Combined Utility System. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of \$5,000,000 but not in excess of \$10,000,000, the Board shall first obtain the written approval of the Consulting Engineers that such property comprising a part of the Combined Utility System is no longer necessary, useful or profitable in the operation thereof, and the Board may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of \$5,000,000 and not in excess of \$10,000,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the Combined Utility System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of \$10,000,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of (i) any applicable Bond Insurer, or (ii) if the Series 2020 A Bonds are not insured, the Holders, or their duly authorized representatives, of 60% in an amount of Series 2020 A Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer or the then Holders of the Series 2020 A Bonds for the disposition of the proceeds from the sale, lease or other disposition of such properties of the Combined Utility System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, payable from the Gross Revenues of the Combined Utility System which rank prior to, or equally, as to lien on and source of and security for payment from the Gross Revenues with the Series 2020 A Bonds and the Prior Bonds; and all obligations hereafter issued by the Issuer payable from the Gross Revenues of the Combined Utility System, except such Additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such Gross Revenues and in all other respects to the Series 2020 A Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2020 A Bonds, upon any of the income and revenues of the Combined Utility System pledged for payment of the principal of, and interest on the Series 2020 A Bonds in this Ordinance or upon the Combined Utility System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds are outstanding the limitations on the issuance of parity obligations set forth in the Prior Ordinances authorizing such bonds shall be applicable. In addition, no Additional Parity Bonds, as in this section defined, payable out of the Gross Revenues of the Combined Utility System shall be issued after the issuance of the Series 2020 A Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition, construction and/or equipping of additions, betterments and/or improvements for the Combined Utility System, refunding all or a portion of one or more series of the Series 2020 A Bonds and the Prior Bonds, refunding all or a portion of any series of Additional Parity Bonds hereinafter issued, paying claims which may exist against the revenues or facilities of the Combined Utility System, or all of such purposes.

No such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Certified Public Accountant reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the Combined Utility System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the date of issuance of such Additional Parity Bonds, shall be not less than 115% of the Maximum Annual Debt Service on the following:

- (1) The Series 2020 A Bonds then Outstanding;
- (2) The Prior Bonds then Outstanding;
- (3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and
- (4) The Additional Parity Bonds then proposed to be issued.

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

The Net Revenues actually derived from the Combined Utility System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received in the opinion of the Independent Certified Public Accountant, as stated in a certificate, on account of increased rates, rentals, fees and charges for the Combined Utility System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Additional Parity Bonds.

The term “Additional Parity Bonds,” as used in this section, shall be deemed to mean evidence of indebtedness, specifically including, but not limited to, bonds and notes issued under the provisions and within the limitations of the Act and this section, payable from the Gross Revenues of the Combined Utility System on a parity with the Series 2020 A Bonds, and the Prior Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2020 A Bonds and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the Combined Utility System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term “Additional Parity Bonds,” as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the Combined Utility System of which is subordinate to the prior and superior lien of the Series 2020 A Bonds, the Prior Bonds and any theretofore issued Additional Parity Bonds on such Gross Revenues (the “Subordinate Bonds”). Nothing contained in this Ordinance shall be deemed to limit or restrict the ability of the Issuer to issue Subordinate Bonds. The Issuer shall not issue any obligations whatsoever payable from the revenues of the Combined Utility System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues with the Series 2020 A Bonds except in the manner and under the conditions provided in this section.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Series 2020 A Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in this Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2020 A Bonds remain Outstanding, the Issuer or the Board will, as an

Operating Expense of the Combined Utility System, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation covering the following risks and in the following amounts:

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

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

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

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

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

F. FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Board having custody of the revenues or of any other funds of the Combined Utility System, as required by State law.

If required by State law, the Issuer and/or the Board shall require all contractors engaged in the acquisition, construction or equipping of any additions, betterments or improvements for the Combined Utility System to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price for that particular contract as security for the faithful performance of such contract.

The Issuer and/or the Board shall also require all contractors engaged in the acquisition, construction and/or equipping of additions, betterments or improvements for the Combined Utility System to carry such workers' compensation coverage for all of the contractor's employees and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to such contracts.

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

Section 6.10. Services Rendered to the Board or Issuer. The Board will not render or cause to be rendered any free services of any nature by its Combined Utility System; and, in the event the Board, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself of any or all of the facilities or services provided by the Combined Utility System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Board, the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Board or the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the Combined Utility System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the Combined Utility System.

Section 6.11. Enforcement of Collections. The Issuer shall, through the Board, diligently enforce and collect all fees, rentals or other charges for the services and facilities of the Combined Utility System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or

permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the Combined Utility System.

Section 6.13. Books and Records. The Board will keep books and records of the Combined Utility System, which shall be separate and apart from all other books, records and accounts of the Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the Combined Utility System. Any Holder of a Series 2020 A Bond shall have the right at all reasonable times to inspect the Combined Utility System, and all parts thereof, and all records, accounts and data of the Board relating thereto.

The accounting system for the Combined Utility System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Board. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Board. The Board shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Board shall be reported to such agent of the Board as it shall direct.

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

Section 6.14. Operating Budget. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the Combined Utility System during the succeeding Fiscal Year.

Section 6.15. Mandatory Connections. The mandatory use of the sanitary sewerage portion of the Combined Utility System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer, and in order to assure the rendering harmless of sewage and waterborne waste matter produced or arising within the territory served by the sanitary sewerage portion of the Combined Utility System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the sanitary sewerage portion of the Combined Utility System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sanitary sewerage portion of the Combined Utility System.

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

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2020 A Bonds, a statutory mortgage lien upon the Combined Utility System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2020 A Bonds and shall be on a parity with all series of the Series 2020 A Bonds and with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

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

A. **PRIVATE BUSINESS USE LIMITATION.** The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2020 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2020 A Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2020 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2020 A Bonds during the terms thereof is, under the terms of such Series 2020 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2020 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Combined Utility System, or if the Series 2020 A Bonds are for the purpose of financing more than one project, a portion of the Combined Utility System, and shall not exceed the proceeds used for the governmental use of that portion of the Combined Utility System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

B. **PRIVATE LOAN LIMITATION.** The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2020 A Bonds or \$5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. **FEDERAL GUARANTEE PROHIBITION.** The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2020 A Bonds to be directly or indirectly “federally guaranteed” within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. **INFORMATION RETURN.** The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2020 A Bonds and the interest

thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2020 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. Without limiting the generality of the foregoing, the Issuer agrees to comply with the provisions of the Tax Certificate, which are hereby incorporated herein. This covenant shall survive payment in full or defeasance of the Series 2020 A Bonds.

Section 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer may obtain a Municipal Bond Insurance Policy for all, or certain maturities, of the Series 2020 A Bonds. In the event such Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2020 A Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2020 A Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.19. Covenants Regarding the Municipal Bond Debt Service Reserve Insurance Policy. The Issuer intends to obtain a Municipal Bond Debt Service Reserve Insurance Policy either contemporaneously with, or subsequent to, the date of issuance of the Series 2020 A Bonds to fund the Series 2020 A Bonds Debt Service Reserve Account in an amount equal to the Series 2020 A Bonds Reserve Requirement. In the event such Municipal Bond Debt Service Reserve Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants shall be set forth in full in a Supplemental Resolution, shall apply to the Series 2020 A Bonds, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

In the event that the Issuer does not obtain a Municipal Bond Debt Service Reserve Insurance Policy contemporaneously with the issuance of the Series 2020 A Bonds, the Issuer may, so long as the Series 2020 A Bonds are outstanding, via the adoption of a Supplemental Resolution, fund the Series 2020 A Bonds Reserve Account with a Municipal Bond Debt Service Reserve Insurance Policy in an amount equal to the Series 2020 A Bonds Reserve Requirement and any additional covenants of the Issuer required by the Bond Insurer shall be set forth in such Supplemental Resolution, shall apply to the Series 2020 A Bonds, and shall be controlling in the event any other provisions of the Ordinance or any other Supplemental Resolution may be in conflict therewith.

Section 6.20. Continuing Disclosure Agreement. The Issuer approves the delivery by the Board of a Continuing Disclosure Agreement, Dissemination Agent Agreement or Continuing Disclosure Certificate in form acceptable to the Original Purchaser, sufficient to ensure compliance with Rule 15c2-12, as it may be amended from time to time.

Section 6.21. Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2020 A Bonds shall be and the same is hereby approved. The Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Mayor and City Manager are hereby authorized and directed to execute and deliver a final Official Statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2020 A Bonds and as the Mayor and City Manager may approve (the “Official Statement”). The execution of the Official Statement by the Mayor and City Manager shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.22. Bond Purchase Agreement. The Series 2020 A Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor and City Manager are specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

Section 6.23. Bond Documents. The Issuer shall deliver a Escrow Agreement, Tax Certificate, Tax Compliance Policy and such other closing documents as shall be required for the issuance of the Series 2020 A Bonds, in forms acceptable to the Original Purchaser, the forms of which shall be approved by the Supplemental Resolution, and the Mayor and City Manager are authorized and directed to execute and deliver such Escrow Agreement, Tax Certificate, Tax Compliance Policy and other closing documents on behalf of the Issuer, with such changes as the Mayor and City Manager shall approve, such approval to be conclusively evidenced by the execution of the Tax Certificate and such other closing documents by the Mayor and City Manager. The Mayor, City Manager and City Clerk are further authorized to take all actions necessary for the Issuer to comply with the Escrow Agreement, Tax Certificate, the Tax Compliance Policy and such other closing documents.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an “Event of Default” with respect to the Series 2020 A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2020 A Bond; or

(B) If default occurs in the Issuer’s observance of any of the covenants, agreements or conditions on its part in this Ordinance or Supplemental Resolution or in the Series 2020 A Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Bond Insurer; or

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

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

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder (with the prior written consent of the applicable Bond Insurer) or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce its rights and, in particular:

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

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

(C) Bring suit upon the Series 2020 A Bonds, as applicable;

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

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

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute, all pro rata, with respect to the Prior Bonds and the Series 2020 A Bonds, in accordance with the respective principal amounts then Outstanding.

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

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

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the Combined Utility System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and

interest on the Series 2020 A Bonds and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the Combined Utility System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Series 2020 A Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Gross Revenues of the Combined Utility System shall have been paid and made good, and all defaults under the provisions of this Ordinance and any Supplemental Resolution shall have been cured and made good, and all monies due hereunder or under any Supplemental Resolution have been paid in full, possession of the Combined Utility System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the Combined Utility System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Holders of the Series 2020 A Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the Combined Utility System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the Combined Utility System, for the sole purpose of the protection of both the Issuer and the Holders of the Series 2020 A Bonds, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said Combined Utility System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the Combined Utility System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Holders of the Series 2020 A Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee

representing the Holders of the Series 2020 A Bonds shall consider the effect on the Holders of the Series 2020 A Bonds as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Holders of the Series 2020 A Bonds. In case any Holder of the Series 2020 A Bonds shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Holder of the Series 2020 A Bonds shall be restored to their former positions and rights hereunder, and all rights and remedies of such Holder of the Series 2020 A Bonds shall continue as if no such proceedings had been taken.

ARTICLE VIII **REGISTRAR AND PAYING AGENT**

Section 8.01. Appointment of Registrar. The Registrar for the Series 2020 A Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2020 A Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2020 A Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2020 A Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

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

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2020 A Bonds, the first exchange of Series 2020 A Bonds and the exchange of Series 2020 A Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2020 A Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2020 A Bonds, or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2020 A Bonds Outstanding.

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

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer or by the Holders of a majority in principal amount of the Series 2020 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the applicable Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided, that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2020 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within twenty (20) days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar

shall be made within forty-five (45) days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

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

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted, or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Series 2020 A Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The Bond Commission shall initially serve as Paying Agent as required by the Act. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2020 A Bonds shall be and remain DTC-Eligible.

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

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within thirty (30) days thereafter, appoint a bank, trust company or national banking association to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent

within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

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

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

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

ARTICLE IX **DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE**

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2020 A Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Gross Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2020 A Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2020 A Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2020 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2020 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2020 A Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Series 2020 A Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2020 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission

or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Series 2020 A Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X **MISCELLANEOUS**

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2020 A Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2020 A Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Holder of the Series 2020 A Bonds or other person, be amended, modified or supplemented in any manner which, in the written opinion of Bond Counsel, does not materially adversely affect the interests of the Holder of the Series 2020 A Bonds or any Bond Insurer; provided, that in the event any of the Series 2020 A Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Series 2020 A Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made (i) without the written consent of the Holders of 60% in aggregate principal amount of the Series 2020 A Bonds then Outstanding and affected thereby; or (ii) the Bond Insurer. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2020 A Bond without the express written consent of the Holder of such Series 2020 A Bond, nor reduce the percentage of Series 2020 A Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

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

bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Series 2020 A Bonds held by a person executing any instrument as a Bondholder, the date of their holding such Series 2020 A Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

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

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Series 2020 A Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Series 2020 A Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2020 A Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days

after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

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

ISSUER

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

With copy to:

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

REGISTRAR

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

PAYING AGENT

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

DEPOSITORY BANK

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

ORIGINAL PURCHASER

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, WV 25301
Attention: Senior Managing Director

BOND INSURER

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

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

Section 10.07. No Personal Liability. No member of the Council, the Board or officer or employee of the Issuer or the Board shall be individually or personally liable for the payment of the principal of or the interest on any of the Series 2020 A Bonds, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2020 A Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2020 A Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2020 A Bonds, the Bond Insurer and the Original Purchaser.

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

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

Section 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the City Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Dominion Post*, a newspaper published and having a general circulation in The City of Morgantown, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2020 A Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 8th day of September, 2020, at 7:00 p.m., in the Council Chambers of the City Hall, Morgantown and present protests, and that a certified

copy of this Ordinance is on file with the City Clerk for review by interested parties during the office hours of the City Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

[Remainder of Page Intentionally Left Blank]

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

First Reading: August 4, 2020

Second Reading: August 18, 2020

Effective following
Public Hearing held on: September 1, 2020

THE CITY OF MORGANTOWN

Mayor

City Manager

[SEAL]

ATTEST:

City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF MORGANTOWN on the 8th day of September, 2020, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in The City of Morgantown, the first publication having been not less than 10 days prior to such public hearing.

Dated this ____ day of _____, 2020.

[SEAL]

City Clerk

EXHIBIT A – FORM OF SERIES 2020 A BONDS

[DTC Legend]

No. AR- _____

\$ _____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REFUNDING REVENUE BONDS,
SERIES 2020 A (TAX EXEMPT)

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL PERSONS BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the “Issuer”), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the “Registered Owner”), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2020 A Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2020 A Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2020 (each an “Interest Payment Date”), until maturity or until the date fixed for redemption if this Series 2020 A Bond is called for prior redemption and payment on such date is provided for.

Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2020 A Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the “Paying Agent”), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2020 A Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the “Registrar”), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Series 2020 A Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2020 A Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$_____ designated “The City of Morgantown Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt)” (the “Series 2020 A Bonds”), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2020, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to finance the cost of refunding the Issuer’s Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds) (the “Series 2010 A Bonds”); (ii) to pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2020 A Bonds; (iii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2020 A Bonds in an amount equal to the Series 2020 A Bonds Reserve Requirement; and (iv) to pay certain costs of issuance of the Series 2020 A Bonds and related costs. The Series 2020 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the “Act”), and an Ordinance duly enacted by the City Council of the Issuer on September 8, 2020, and supplemented by a Supplemental Parameters Resolution adopted by said City Council on _____, 2020 (hereinafter collectively referred to as the “Ordinance”), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2020 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2020 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

[The Series 2020 A Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Bond Insurer].]

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

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

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

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

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

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 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”);

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

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

(8) 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”);

(9) 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”);

(10) 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”);

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

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

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

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D (WEST VIRGINIA SRF PROGRAM), OF THE ISSUER, DATED MARCH 31, 2015 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,688,394 (THE “SERIES 2015 D BONDS”);

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

(16) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, OF THE ISSUER, DATED DECEMBER 1, 2016 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$69,755,000 (THE “SERIES 2016 A BONDS”);

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), OF THE ISSUER, DATED DECEMBER 15, 2016 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$25,000,000 (THE “SERIES 2016 B-1 BONDS”);

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A (BANK QUALIFIED), DATED DECEMBER 21, 2017, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,695,000 (THE “SERIES 2017 A BONDS”);

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER, DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$394,074 (THE “SERIES 2018 A BONDS”);

(20) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B (TAX-EXEMPT), OF THE ISSUER, DATED JUNE 28, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$44,260,000 (THE “SERIES 2018 B BONDS”);

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER, DATED JULY 10, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$140,715 (THE “SERIES 2018 A-2 BONDS”);

(22) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2019 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 22, 2019, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,068,500 (THE “SERIES 2019 A BONDS”); AND

(23) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2019 B (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 22, 2019, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,546,000 (THE “SERIES 2019 B BONDS” AND COLLECTIVELY WITH THE BONDS LISTED ABOVE, THE “PRIOR BONDS”)

The Series 2020 A Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

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

Period During Which Redeemed	Redemption
_____ (Dates Inclusive)	_____ Price

(B) Mandatory Sinking Fund Redemption. The Series 2020 A Bonds maturing on _____, 20____ and 20____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing _____	1, 20
Year (1) _____	Principal Amount

* Final Maturity

In the event of any redemption of less than all outstanding Series 2020 A Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2020 A Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2020 A Bonds are to be redeemed, the Series 2020 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2020 A Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2020 A Bond or Series 2020 A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2020 A Bonds or portions of Series 2020 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2020 A Bonds or portions of Series 2020 A Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2020 A Bond.

The Series 2020 A Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2020 A Bonds Sinking Fund, and the Series 2020 A Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2020 A Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2020 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2020 A Bonds Sinking Fund and the Series 2020 A Bonds Reserve Account and the unexpended proceeds of the Series 2020 A Bonds.

Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2020 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2020 A Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2020 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2020 A Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2020 A Bonds except for accrued interest thereon shall be applied solely to pay the entire outstanding principal of, and accrued interest on, the Series 2010 A Bonds, pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of and interest on the Series 2020 A Bonds, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2020 A Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2020 A Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2020 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2020 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2020 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2020 A Bonds of which this Series 2020 A Bond is one.

This Series 2020 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2020 A Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2020 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance and the statutes under which this Series 2020 A Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2020 A Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor and City Manager, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2020 A Bond to be dated as of the Series 2020 A Bond Date specified above.

[SEAL]

[Manual or facsimile signature]
Mayor

[Manual or facsimile signature]
City Manager

ATTEST:

[Manual or facsimile signature]
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2020 A Bond is one of the fully registered Series 2020 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below.

Dated: _____, 2020.

_____,
As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

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

Dated: _____, 20____.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

The City of Morgantown

Combined Utility System Refunding Revenue Bonds, Series 2020 A

SUPPLEMENTAL PARAMETERS RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING PARAMETERS AS TO THE PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE COMBINED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020 A OF THE CITY OF MORGANTOWN; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE ORIGINAL PURCHASER; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, A REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT, A TAX CERTIFICATE, A TAX COMPLIANCE POLICY, AND OTHER INSTRUMENTS RELATING TO THE BONDS; AUTHORIZING THE PURCHASE OF A MUNICIPAL BOND INSURANCE POLICY AND/OR MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND AMENDMENT AND/OR MODIFICATION OF THE ORDINANCE TO COMPLY THEREWITH; APPOINTING A REGISTRAR, PAYING AGENT AND DISSEMINATION AGENT FOR SUCH BONDS; APPROVING A CONFORMED ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

WHEREAS, the Governing Body has duly and officially enacted on _____, 2020, an Ordinance entitled:

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE CITY OF MORGANTOWN’S OUTSTANDING COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$40,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REFUNDING REVENUE

BONDS, SERIES 2020 A (TAX EXEMPT); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, A TAX CERTIFICATE, AN ESCROW AGREEMENT, A TAX COMPLIANCE POLICY AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Conformed Ordinance attached as Exhibit A (the “Series 2020 A Ordinance”) when used herein;

WHEREAS, the Series 2020 A Ordinance provided for the issuance by the Issuer of its Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax-Exempt) in an aggregate principal amount not to exceed \$40,000,000, in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the “Act”) for the purposes of refunding the Issuer’s Series 2010 A Bonds, as defined in the Series 2020 A Ordinance;

WHEREAS, the Series 2020 A Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2020 A Bonds should be established by Supplemental Resolution, that a Registrar, Paying Agent and Dissemination Agent be designated, that a Bond Purchase Agreement, a Registrar Agreement, a Tax Certificate and an Official Statement be approved and that other matters pertaining to the Bonds be provided for by a Supplemental Resolution of the Governing Body, that additional covenants and provisions relating to the Series 2020 A Bonds be provided for therein, and as may be required by any Bond Insurer as a condition to insuring such Series 2020 A Bonds and/or providing a Municipal Bond Debt Service Reserve Insurance Policy for such Series 2020 A Bonds and that other matters pertaining to the Series 2020 A Bonds be provided for by a Supplemental Resolution of this Governing Body;

WHEREAS, the Series 2020 A Bonds are proposed to be purchased by Crews & Associates, Inc. (the “Original Purchaser”), pursuant to a Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof (the “Bond Purchase Agreement”);

WHEREAS, the Governing Body has determined that, in order to obtain the best possible terms for the Series 2020 A Bonds, the Mayor and City Manager shall be empowered and authorized to execute the Bond Purchase Agreement, within the parameters set forth herein, at such time as the Mayor and City Manager shall determine most advantageous to the Issuer, or not at all, and the Mayor and City Manager shall be authorized to acquire a Municipal Bond Insurance Policy and/or Municipal Bond Debt Service Reserve Insurance Policy if either, or both, is determined by the Mayor and City Manager to be financially advantageous to the Issuer; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental parameters resolution (the “Series 2020 A Supplemental Parameters Resolution”) be adopted, that the Bond Purchase Agreement, the Tax Certificate, and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Series 2020 A Bonds, hereinafter described, be approved, that the Mayor and City Manager be authorized to enter into the Bond Purchase Agreement within the parameters hereby approved by the Governing Body, and that other matters relating to the Series 2020 A Bonds be herein provided for all in accordance with the Series 2020 A Ordinance;

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

SECTION 1. The Conformed Ordinance attached hereto as **Exhibit A** is approved.

SECTION 2. Pursuant to the Series 2020 A Ordinance and the Act, this Series 2020 A Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2020 A Bonds. The Series 2020 A Bonds shall be issued in the aggregate principal amount not to exceed \$40,000,000, bear interest at a rate not to exceed 8.0% per annum, payable semiannually, shall mature no later than thirty (30) years from the date of issuance, and shall be subject to such redemption provisions, all as shall subsequently be approved by the Mayor and City Manager pursuant to the execution and delivery by the Mayor and City Manager of a Certificate of Determinations with respect to the Series 2020 A Bonds, dated the date of the Bond Purchase Agreement, the form of which is attached hereto as **EXHIBIT B** and approved hereby (the “Series 2020 A Certificate of Determinations”). The Series 2020 A Bonds shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2020 A Bonds shall be as determined by the Mayor and City Manager at the time of the execution of the Bond Purchase Agreement and as approved by the Mayor and City Manager in the Certificate of Determinations.

SECTION 3. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor and City Manager thereof shall be and the same are hereby authorized, approved, and directed. The Mayor and City Manager shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Mayor and City Manager. The execution of the Bond Purchase Agreement by the Mayor and City Manager shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Series 2020 A Bonds, including the payment of all necessary fees and expenses in connection therewith.

SECTION 4. Proceeds of the Bonds shall be expended solely for the purposes set forth in the Series 2020 A Ordinance.

SECTION 5. A. The Tax Certificate, to be dated the date of execution and delivery of the Bonds (the “Tax Certificate”), and executed and delivered by the Issuer, in the

form to be approved by the Mayor and City Manager, and the execution and delivery (in multiple counterparts) by the Mayor and City Manager thereof, shall be and the same are hereby authorized, approved and directed. The execution of the Tax Certificate by the Mayor and City Manager shall be conclusive evidence of any approval required by this Section.

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

SECTION 6. The Issuer hereby approves the execution and delivery by the Board of the Continuing Disclosure Agreement, to be dated the date of execution and delivery of the Series 2020 A Bonds (the “Disclosure Agreement”), by and between the Board and Digital Assurance Certification, LLC.

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

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

SECTION 9. The firm of Steptoe & Johnson PLLC, Bridgeport, West Virginia, is hereby appointed bond counsel and disclosure counsel to the Issuer in connection with the issuance of the Series 2020 A Bonds.

SECTION 10. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Paying Agent for the Series 2020 A Bonds.

SECTION 11. The Issuer hereby appoints and designates Digital Assurance Certification, LLC, as dissemination agent for the Series 2020 A Bonds.

SECTION 12. The Issuer hereby appoints and designates United Bank, Charleston, West Virginia, as the Registrar for the Series 2020 A Bonds.

SECTION 13. The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by _____ (“_____”) to secure the payment of principal of, and interest on, the Series 2020 A Bonds will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Insurance Policy, and accordingly accepts the Municipal Bond Insurance Commitment (the “Series 2020 A Insurance Commitment”) dated _____, 2020. The Mayor and City Manager are hereby authorized to execute the Insurance Commitment and deliver the same to _____. Pursuant to the Series 2020 A Insurance Commitment, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Insurance Policy for the Series 2020 A Bonds are attached hereto as **EXHIBIT F** and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Series 2020 A Ordinance and applicable to the Series 2020 A Bonds.

SECTION 14. The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by _____ (“_____”) to fund the Series 2020 A Bonds Reserve Account will result in a cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Debt Service Reserve Insurance Policy, and accordingly accepts the Municipal Bond Debt Service Reserve Insurance Commitment (the “Series 2020 A Reserve Commitment”) dated _____, 2020. The Mayor and City Manager are hereby authorized to execute the Reserve Commitment and deliver the same to _____. Pursuant to the Series 2020 A Reserve Commitment, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2020 A Bonds Reserve Account are attached hereto as **EXHIBIT G** and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Series 2020 A Ordinance and applicable to the Series 2020 A Bonds.

SECTION 15. The Mayor, City Manager and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, required or desirable in connection with the Series 2020 A Bonds, to the end that the Series 2020 A Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Agreement.

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

PAYING AGENT

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

REGISTRAR

United Bank
500 Virginia Street, East

Charleston, West Virginia 25301
ATTN: Corporate Trust Department

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

SECTION 17. The refunding of the Series 2010 A Bonds with the Proceeds of the Series 2020 A Bonds and issuance of the Series 2020 A Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer and other customers of the Combined Utility System.

SECTION 18. The Issuer hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Series 2020 A Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Series 2020 A Bonds to be an “arbitrage bond” as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The Mayor and City Manager of the Issuer are authorized and directed to execute and deliver such further instruments or agreements as shall be required to provide further assurances of the Issuer's compliance with this covenant.

SECTION 19. The Mayor, City Manager and City Clerk, and all other appropriate officers and employees of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Series 2020 A Bonds to be duly and properly issued by the Issuer and delivered to the Original Purchaser as herein authorized and to otherwise facilitate the transaction contemplated by this Series 2020 A Supplemental Parameters Resolution, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required.

[Remainder of Page Intentionally Blank]

SECTION 20. This Series 2020 A Supplemental Parameters Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

THE CITY OF MORGANTOWN

[SEAL]

By: _____
Its Mayor

By: _____
Its City Manager

Attest:

City Clerk

CERTIFICATION

Certified a true copy of a Series 2020 A Supplemental Parameters Resolution duly adopted by the Council of THE CITY OF MORGANTOWN on _____, 2020, which Series 2020 A Supplemental Parameters Resolution has not been repealed, rescinded, modified, amended or revoked, as of the date hereof.

By: _____
City Clerk

EXHIBIT A – SERIES 2020 A SUPPLEMENTAL PARAMETERS RESOLUTION

CONFORMED ORDINANCE

EXHIBIT B – SERIES 2020 A SUPPLEMENTAL PARAMETERS RESOLUTION

FORM OF CERTIFICATE OF DETERMINATIONS

The City of Morgantown
Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt)

CERTIFICATE OF DETERMINATIONS

The undersigned, Ron Dulaney, Jr., Mayor, and _____, City Manager of The City of Morgantown (the “Issuer”), in accordance with the Series 2020 A Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on _____, 2020 (the “Series 2020 A Supplemental Parameters Resolution”), with respect to the Issuer’s Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt) (the “Series 2020 A Bonds”), hereby find and determine this ____ day of _____, 2020, as follows:

1. The Series 2020 A Bonds shall be dated _____, 2020 shall bear interest on _____ 1 and _____ 1 of each year commencing _____, 2020.
2. The Series 2020 A Bonds shall be issued in the aggregate principal amount of \$_____. The interest rates on the Series 2020 A Bonds do not exceed 8.0%, being the maximum interest rate authorized by the Series 2020 A Ordinance.
3. The Series 2020 A Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on **Schedule 1** attached hereto and incorporated herein.
4. The Series 2020 A Bonds shall bear interest at the rates and produce the yields set forth on **Schedule 1** attached hereto and incorporated herein.
5. The Series 2020 A Bonds shall [not] be subject to [optional and/or mandatory] redemption [as set forth on **Schedule 2** attached hereto and incorporated herein.]
6. The Series 2020 A Bonds shall be sold to Crews & Associates, Inc. (the “Underwriter”), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of \$_____ (representing par value less an Underwriter’s discount of \$_____ and [less/plus] a net original issue [discount/premium] of \$_____).

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2020 A Bonds are within the parameters prescribed by the Series 2020 A Supplemental

Parameters Resolution, and the Series 2020 A Bonds may be issued with such terms and conditions as authorized by the Series 2020 A Supplemental Parameters Resolution.

WITNESS our signatures the day and year first written above.

THE CITY OF MORGANTOWN

By: _____
Its Mayor

By: _____
Its City Manager

SCHEDULE 1 – CERTIFICATE OF DETERMINATIONS

SERIES 2020 A BOND TERMS

<u>Bond No.</u>	<u>Maturity Date</u> (_ 1)	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
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SCHEDULE 2 – CERTIFICATE OF DETERMINATIONS

REDEMPTION PROVISIONS:

SERIES 2020 A BONDS

[to be inserted after pricing]

EXHIBIT C – SERIES 2020 A SUPPLEMENTAL PARAMETERS RESOLUTION

TAX COMPLIANCE POLICY

THE CITY OF MORGANTOWN (WEST VIRGINIA)

Purpose

Governmental issuers of tax-exempt and tax-credit bonds must comply with certain federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by The City of Morgantown, West Virginia (the “*Issuer*”), as the issuer, with these rules in connection with the issuance of the Issuer’s Combined Utility System Refunding Revenue Bonds, Series 2020 A (the “*Bonds*”). It is understood and agreed by the Issuer, and the Issuer has covenanted to take all actions necessary to maintain the Bonds as tax-exempt state and local bonds.

Tax Requirements Associated with Sale and Issuance of Bonds

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

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

Expenditure of Proceeds for Governmental Costs

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

- Bond proceeds will be disbursed pursuant to the Bond Ordinance, and will be a written order of an Authorized Officer, stating the date, amount and purpose of the disbursement.
- Requisitions must identify the financed property in conformity with the Tax and Non-Arbitrage Certificate executed by the Issuer at closing, including any certifications as to the character and average economic life of the bond-financed property.
- Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a “declaration of intent” to reimburse the costs was adopted by the Issuer. If

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

- Requisitions will be in accordance with expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the Bonds.
- If the 18-month spending exception to rebate applies, expenditure of gross proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable:

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

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

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

Expenditure of Proceeds

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

- Reserve funds cannot exceed the least of 10% of bond proceeds, maximum annual debt service, or 125% of average annual debt service. The initial funding of any reserve fund will be measured against this limit.
- Investment earnings on sale proceeds of the Bonds will be tracked and will be requisitioned only for appropriate expenditures.

Use of Bond-Financed Property

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

- Average nonexempt use of bond-financed property over the life of the issue cannot exceed 10% of the proceeds.
- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property subject to the Bond Ordinance is bond-financed.
- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit, as set forth in the Tax Certificate.
- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a “remedial action” under the applicable Income Tax Regulations.

Investments and IRS Filings

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

- Guaranteed investment contracts (“GIC”) will be purchased only using the three-bid “safe harbor” of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.
- Other investments will be purchased only in market transactions.
- Calculations of rebate liability will be performed annually by outside consultants.
- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.
- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

Records

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

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of

documents, appropriately indexed to specific bond issues and compliance functions.

- Retainable records pertaining to the Bonds include transcript of documents executed in connection with the issuance of the bonds (including authorizing resolutions, Bond Ordinance, Form 8038-G, and Tax Certificate) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.
- Retainable records pertaining to expenditures of bond proceeds include requisitions, accounting statements and final allocation of proceeds.
- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use and any reviewed documents relating to unrelated business activity.
- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

Amendment

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

Overall Responsibility

Overall administration and coordination of this policy is the responsibility of the Oversight Officer.

THE CITY OF MORGANTOWN, WEST VIRGINIA

By: Mayor

Date:

By: City Manager

Date:

EXHIBIT D – SERIES 2020 A SUPPLEMENTAL PARAMETERS RESOLUTION

FORM OF PRELIMINARY OFFICIAL STATEMENT

See Attached

EXHIBIT F – SERIES 2020 A SUPPLEMENTAL PARAMETERS RESOLUTION

PROVISIONS RELATING TO MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Commitment

[insert]

EXHIBIT G – SERIES 2020 A SUPPLEMENTAL PARAMETERS RESOLUTION

PROVISIONS RELATING TO MUNICIPAL BOND DEBT SERVICE RESERVE
INSURANCE POLICY

Municipal Bond Debt Service Reserve Insurance Commitment

[insert]