

THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2020 A
(WEST VIRGINIA CWSRF PROGRAM)

Closing Date: May 7, 2020

LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the “Loan Agreement”), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the “Authority”), the WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION (the “DEP”), and the local government designated below (the “Local Government”).

THE CITY OF CHARLESTON
(2017S-1718 / C-544557)
(Local Government)

W I T N E S S E T H:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the “Clean Water Act”), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the “Act”), the State of West Virginia (the “State”) has established a state water pollution control revolving fund program (the “Program”) to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency (“EPA”) to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition § 66.458 (1998)) and DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the “West Virginia Water Pollution Control Revolving Fund” (hereinafter the “Fund”);

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

WHEREAS, the Local Government is included on the DEP State Project Priority List and the Intended Use Plan and has met DEP's pre-application requirements for the Program;

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a wastewater treatment project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Government;

WHEREAS, the Local Government intends to construct, is constructing or has constructed such a wastewater treatment project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for a Loan with attachments and exhibits and an Amended Application for a Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Government, DEP and the Authority hereby agree as follows:

ARTICLE I Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto, who was selected pursuant to Article 1, Chapter 5G of the Code of West Virginia of 1931, as amended.

1.3 "Decentralized System" means wastewater treatment systems that treat wastewater, then reusing and/or dispersing the reclaimed water, as close to where it is generated as practical in each circumstance. A Decentralized System may include: on-site systems contained entirely within the simple boundaries of the lot it serves; small-scale collective systems, with their reuse/dispersal sites on easements on the lots served, on vacant lots purchased

for this purpose, on off-site properties, or a combination of these; larger scale collective systems utilizing dispersed or aggregated reuse/dispersal sites or discharging to surface water.

1.4 “Loan” means the loan to be made by the Authority and DEP to the Local Government through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.5 “Local Act” means the official action of the Local Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.6 “Local Bonds” means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Loan Agreement.

1.7 “Local Statute” means the specific provisions of the Code of West Virginia, 1931, as amended, pursuant to which the Local Bonds are issued.

1.8 “Operating Expenses” means the reasonable, proper and necessary costs of operation and maintenance of the System, as hereinafter defined, as should normally and regularly be included as such under generally accepted accounting principles.

1.9 “Program” means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

1.10 “Project” means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

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

1.12 “System” means the wastewater treatment facility owned by the Local Government, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.13 Additional terms and phrases are defined in this Loan Agreement as they are used.

ARTICLE II
The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Local Government by the Consulting Engineers, the DEP and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and the Local Act, the Local Government has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Local Government by the Consulting Engineers.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Local Government, subject to any mortgage lien or other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property is approved by DEP and the Authority.

2.4 The Local Government agrees that the Authority and DEP and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Government shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project, in accordance with generally accepted governmental accounting standards. The Local Government shall permit the Authority and DEP, acting by and through their Directors or duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Local Government shall submit to the Authority and DEP such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

2.6 The Local Government agrees that it will permit the Authority and DEP and their respective agents to have access to the records of the Local Government pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof or if the Project is an

improvement to an existing system at any reasonable time following commencement of construction.

2.7 The Local Government shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract and shall verify or have verified such bonds prior to commencement of construction.

2.8 The Local Government shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Government, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Government on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Record Drawings, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final or updated Operation and Maintenance Manual, if necessary as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ a state certified plant operator prior to

the Project being 50% complete and notify the DEP of such employment. The Local Government shall retain the operator(s) to operate the System during the entire term of this Loan Agreement.

2.11 The Local Government hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, DEP or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

2.12 The Local Government, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 20th of each month to DEP and the Authority.

2.13 The Local Government shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia (the "PSC").

2.14 The Local Government, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward such forms to DEP in compliance with the Local Government's construction schedule.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to make the Loan is subject to the Local Government's fulfillment, to the satisfaction of the Authority and DEP, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

(a) The Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

(b) The Local Government shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(c) The Local Government shall have authorized the issuance of and delivery to the Authority of the Local Bonds described in this Article III and in Article IV hereof;

(d) The Local Government shall either have received bids or entered into contracts for the construction of the Project, which are in an amount and otherwise compatible with the plan of financing described in the Application; provided that, if the Loan will refund an interim construction financing, the Local Government must either be constructing or have constructed its Project for a cost and as otherwise compatible with the plan of financing described in the Application; and, in either case, the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

(e) The Local Government shall have obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, and the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect;

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(g) The Local Government shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(h) The Local Government shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and DEP shall have received a certificate of the accountant for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, to such effect; and

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on

a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Loan shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Government by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing."

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans from the Fund to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the prior approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

3.7 The Local Government shall comply with all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, Water Resources Reform and Development Act of 2014 (WRRDA) and related SRF Policy Guidelines issued by the EPA) which the Local Government understands includes, among other things, requirements that all of the iron and steel products used in the Project are to be produced in the United States (“American Iron and Steel Requirement”) unless (i) the Local Government has requested and obtained a waiver from the EPA pertaining to the Project or (ii) DEP has otherwise advised the Local Government in writing that the American Iron and Steel Requirement is not applicable to the Project.

3.8 The Local Government shall comply with all record keeping and reporting requirements under the Clean Water Act, including any reports required by a Federal agency or DEP such as performance indicators of program deliverables, information on costs and Project progress. The Local Government understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Clean Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Bonds and/or other remedial actions.

ARTICLE IV

Local Bonds; Security for Loan; Repayment of Loan; Interest on Loan; Fees and Charges

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

(a) That the gross revenues of the System shall always be used for purposes of the System. Such gross revenues will be used monthly, in the order of priority listed below:

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the “Reserve Account”) was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the “Reserve Requirement”), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

(iii) to create a renewal and replacement, or similar, fund in an amount equal to two and one-half percent (2-1/2%) of the gross revenues from the System, exclusive of any payments into the Reserve Account, for the purpose of improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account; and

(iv) for other legal purposes of the System, including payment of debt service on other obligations junior, subordinate and inferior to the Local Bonds.

Provided, that if the Local Government has existing outstanding indebtedness which has greater coverage or renewal and replacement fund requirements, then the greater requirements will prevail until said existing indebtedness is paid in full.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the net or gross revenues of the System as provided in the Local Act;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the Reserve Account is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

(iii) That the Local Government shall complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Government shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than

one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and DEP; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

(vi) That the Local Government will carry such insurance as is customarily carried with respect to works and properties similar to the System, including those specified by Section 2.8 hereof;

(vii) That the Local Government will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Government under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

(ix) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That, to the extent legally allowable, the Local Government will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Government shall annually cause the records of the System to be audited in accordance with 2 CFR 200 Subpart F (or any successor thereto) or the laws of the State by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Government shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and DEP within 30 days of adoption thereof;

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, prospective users of the System shall be required to connect thereto;

(xiv) That the proceeds of the Local Bonds, advanced from time to time, except for accrued interest and capitalized interest, if any, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Local Government and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing of such Local Government, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and DEP, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

(xvi) That the West Virginia Municipal Bond Commission (the “Commission”) shall serve as paying agent for all Local Bonds;

(xvii) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Local Government will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Government shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore the services of the water facility

until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Local Government, then the Local Government shall enter into a termination agreement with the water provider; and

(xxi) That the Local Government shall submit all proposed change orders to the DEP for approval. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds held in “contingency” as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

The Local Government hereby represents and warrants that the Local Act has been or shall be duly adopted or enacted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, validity, sale and delivery of the Local Bonds shall be approved without qualification by nationally recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit G.

4.2 The Loan shall be secured by the pledge and assignment by the Local Government, as effected by the Local Act, of the fees, charges and other revenues of the Local Government from the System.

4.3 At least two percent (2%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the DEP monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government’s allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

4.6 The obligation of the Authority to make any loans shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to make the Loan.

ARTICLE V

Certain Covenants of the Local Government; Imposition and Collection of User Charges; Payments To Be Made by Local Government to the Authority

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this Loan Agreement, the Local Government hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to this Loan Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Loan Agreement, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever

calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and DEP shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Government has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the SRF Regulations or this Loan Agreement.

6.3 The Local Government hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project.

6.4 The Local Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

6.5 Notwithstanding Section 6.4, the Authority and DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

6.6 The Local Government hereby agrees to give the Authority and DEP prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

6.7 The Local Government hereby agrees to file with the Authority and DEP upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII
Miscellaneous

7.1 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Local Government supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

7.4 No waiver by any party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

7.5 This Loan Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

7.6 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Local Government specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.7 This Loan Agreement shall terminate upon the earlier of:

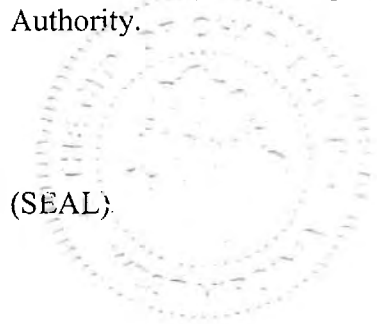
(i) written notice of termination to the Local Government from either the Authority or DEP; or

(ii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Loan made under this Loan Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to make the Loan. In the event funds are not appropriated or otherwise available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Loan made by the

Authority and DEP is not terminated due to such non-funding on any balance of the Loan. The DEP agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.



(SEAL)

THE CITY OF CHARLESTON

By: *[Signature]*
Its: Mayor
Date: May 7, 2020

Attest:

[Signature]

Its: City Clerk

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: *[Signature]*
Its: Acting Director
Date: May 7, 2020

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: *[Signature]*
Its: Executive Director
Date: May 7, 2020

Attest:

[Signature]

Its: Authorized Officer

EXHIBIT A
FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B
MONTHLY FINANCIAL REPORT

Name of Local Government _____

Name of Bond Issue(s) _____

Type of Project _____ Water _____ Wastewater _____

Fiscal Year _____ Report Month _____

<u>Item</u>	<u>Current Month</u>	<u>Total Year To Date</u>	<u>Budget Year To Date</u>	<u>Budget Year To Date Minus Total Year To Date</u>
1. Gross Revenues	_____	_____	_____	_____
2. Operating Expenses	_____	_____	_____	_____
3. Bond Payments:				
Type of Issue	_____	_____	_____	_____
Clean Water SRF	_____	_____	_____	_____
Drinking Water TRF	_____	_____	_____	_____
Infrastructure Fund	_____	_____	_____	_____
Water Development Authority	_____	_____	_____	_____
Rural Utilities Service	_____	_____	_____	_____
Economic Development	_____	_____	_____	_____
Administration	_____	_____	_____	_____
Other (Identify)	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
4. Renewal and Replacement Fund Deposits	_____	_____	_____	_____

Name of Person Completing Form

Address

Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1 You will need a copy of the current fiscal year budget adopted by the Local Government to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ($\$1,200/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ($\$900/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Local Government according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.
- Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 20th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT C
PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D
FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No. _____ of _____, Consulting Engineers, _____, _____, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____ County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), dated _____.

2. The Bonds are being issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A, and my firm¹ has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all

¹If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____, Esq.] and delete "my firm has ascertained that".

critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof², the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; (xi) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve _____ new customers in the _____ area as approved by the Infrastructure Council without substitution.

WITNESS my signature and seal on this _____ day of _____, _____.

By _____
West Virginia License No. _____

[SEAL]

²If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: "In reliance upon the certificate of _____ of even date herewith," at the beginning of (ix).

EXHIBIT E
SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, ground breaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with Federal money, (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

B. FISCAL SUSTAINABILITY – The Local Government shall submit an acceptable fiscal sustainability plan that complied with Section 603(d)(1)(E) of the Clean Water Act to DEP no later than six months following substantial completion of the Project. This requirement shall be included in the bond closing documents.

C. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

D. CLOSING REQUIREMENTS – Closing of the Bonds is conditioned upon the DEP's receipt of acceptable Final Title Opinion for Phase I of the Project and Final CPA Certificate. Funds in the Change Order line item of the Schedule B dated May 7, 2020 will not be advanced to the Local Government until the DEP has received and approved the appropriate Change Order(s) and Final Title Opinion with respect to the Change Order property.

E. PHASE II ADVANCES – Funds will not be advanced to the Local Government to pay for costs with respect to Phase II of the Project (as set forth on the Schedule B dated May 7, 2020) until the DEP has received and approved the following with respect to Phase II: (1) approvable Final Plans and Specifications; (2) acceptable bid tabulations; (3) Final Title Opinion; (4) updated Schedule B reflecting actual bids and final Project costs; (5) all necessary permits; and (6) any other documents required by the DEP.

EXHIBIT F
MONTHLY PAYMENT FORM

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of [Name of Local Government] on [Date].

Sinking Fund:

Interest	\$
Principal	\$
Total:	\$
Reserve Account:	\$

Witness my signature this ____ day of _____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G
OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

Ladies and Gentlemen:

We are bond counsel to _____ (the "Local Government"), a
_____.

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated ____, ____, including all schedules and exhibits attached thereto (the "Loan Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, dated ____, ____ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of \$_____, in the form of one bond, registered as to principal and interest to the Authority, with principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning ____ 1, ____, and ending ____ 1, ____, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Local Government on _____, as supplemented by the supplemental resolution duly adopted by the Local Government on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Loan Agreement has been duly authorized by and executed on behalf of the Local Government and is a valid and binding special obligation of the Local Government, enforceable in accordance with the terms thereof.

2. The Loan Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Local Government without the consent of the Authority and the DEP.

3. The Local Government is a duly organized and validly existing _____, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Local Government and constitute valid and binding obligations of the Local Government, enforceable against the Local Government in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Local Government to the Authority and are valid, legally enforceable and binding special obligations of the Local Government, payable from the net or gross revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the net or gross revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

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

No opinion is given herein as to the effect upon enforceability of the Local Bonds of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Local Bond numbered R-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

SCHEDULE X
DESCRIPTION OF LOCAL BONDS

A.	Series A Bonds	
	Principal Amount of Local Bonds	\$12,859,975
	Purchase Price of Local Bonds	\$12,859,975

The Local Bonds shall bear interest at a rate of 2.75% per annum. Commencing June 1, 2022, principal of and interest on the Local Bonds is payable quarterly, with an administrative fee of 0.25%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

The Local Bonds are fully registered in the name of the Authority as to principal and interest, if any, and the Local Bonds shall grant the Authority a first lien on the net or gross revenues of the Local Government's system as provided in the Local Act.

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Government:

- | | | |
|----|--|------------|
| 1. | \$1,912,194 Sewer Revenue Bonds,
Series 1989 A, dated March 21, 1989 | First Lien |
| 2. | \$829,856 Sewer Revenue Bonds,
Series 1989 C, dated November 21, 1989 | First Lien |
| 3. | \$686,229 Sewerage System Revenue Bonds,
1999 Series A, dated June 22, 1999 | First Lien |
| 4. | \$823,741 Sewerage System Revenue Bonds,
2001 Series B, dated May 22, 2001 | First Lien |

5.	\$9,835,120 Sewerage System Revenue Bonds, Series 2004 A, dated March 23, 2004	First Lien
6.	\$36,617,310 Sewerage System Revenue Bonds, Series 2005 A, dated May 5, 2005	First Lien
7.	\$9,000,000 Sewerage System Revenue Bonds, Series 2008 A, dated June 26, 2008	First Lien
8.	\$25,877,009 Sewerage System Revenue Bonds, Series 2011 A, dated December 13, 2011	First Lien
9.	\$11,613,300 Sewerage System Revenue Bonds, Series 2013 A, dated March 27, 2013	First Lien
10.	\$13,145,000 Sewerage System Revenue Bonds, Series 2016 A, dated September 22, 2016	First Lien
11.	\$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989	Second Lien
12.	\$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989	Second Lien
13.	\$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999	Second Lien
14.	\$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001	Second Lien
15.	\$1,822,690 Sewerage System Revenue Bonds, Series 2005 B-1, dated May 5, 2005	Second Lien

The Second Lien Bonds are subordinate and junior to the First Lien Bonds and the Local Bonds

Number of New Customers: -0-

Location: Woodward Drive area of Charleston, Kanawha County

SCHEDULE Y
DEBT SERVICE SCHEDULE

Net Debt Service						
City of Charleston						
SRF						
\$12,859,975						
2.75% Interest Rate						
0.25% Administrative Fee						
20 Years from Closing Date						
Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service	
6/1/2022	138,638	88,412.33	227,050.33	4,403.57	231,453.90	
9/1/2022	139,591	87,459.19	227,050.19	4,403.57	231,453.76	
12/1/2022	140,551	86,499.50	227,050.50	4,403.57	231,454.07	
3/1/2023	141,517	85,533.22	227,050.22	4,403.57	231,453.79	
6/1/2023	142,490	84,560.29	227,050.29	4,403.57	231,453.86	
9/1/2023	143,469	83,580.67	227,049.67	4,403.57	231,453.24	
12/1/2023	144,456	82,594.32	227,050.32	4,403.57	231,453.89	
3/1/2024	145,449	81,601.18	227,050.18	4,403.57	231,453.75	
6/1/2024	146,449	80,601.22	227,050.22	4,403.57	231,453.79	
9/1/2024	147,456	79,594.38	227,050.38	4,403.57	231,453.95	
12/1/2024	148,469	78,580.62	227,049.62	4,403.57	231,453.19	
3/1/2025	149,490	77,559.90	227,049.90	4,403.57	231,453.47	
6/1/2025	150,518	76,532.16	227,050.16	4,403.57	231,453.73	
9/1/2025	151,553	75,497.35	227,050.35	4,403.57	231,453.92	
12/1/2025	152,595	74,455.42	227,050.42	4,403.57	231,453.99	
3/1/2026	153,644	73,406.33	227,050.33	4,403.57	231,453.90	
6/1/2026	154,700	72,350.03	227,050.03	4,403.57	231,453.60	
9/1/2026	155,764	71,286.46	227,050.46	4,403.57	231,454.03	
12/1/2026	156,834	70,215.59	227,049.59	4,403.57	231,453.16	
3/1/2027	157,913	69,137.35	227,050.35	4,403.57	231,453.92	
6/1/2027	158,998	68,051.70	227,049.70	4,403.57	231,453.27	
9/1/2027	160,091	66,958.59	227,049.59	4,403.57	231,453.16	
12/1/2027	161,192	65,857.96	227,049.96	4,403.57	231,453.53	
3/1/2028	162,300	64,749.77	227,049.77	4,403.57	231,453.34	
6/1/2028	163,416	63,633.96	227,049.96	4,403.57	231,453.53	
9/1/2028	164,540	62,510.47	227,050.47	4,403.57	231,454.04	
12/1/2028	165,671	61,379.26	227,050.26	4,403.57	231,453.83	
3/1/2029	166,810	60,240.27	227,050.27	4,403.57	231,453.84	
6/1/2029	167,957	59,093.45	227,050.45	4,403.57	231,454.02	
9/1/2029	169,111	57,938.75	227,049.75	4,403.57	231,453.32	
12/1/2029	170,274	56,776.11	227,050.11	4,403.57	231,453.68	
3/1/2030	171,445	55,605.47	227,050.47	4,403.57	231,454.04	
6/1/2030	172,623	54,426.79	227,049.79	4,403.57	231,453.36	
9/1/2030	173,810	53,240.01	227,050.01	4,403.57	231,453.58	
12/1/2030	175,005	52,045.06	227,050.06	4,403.57	231,453.63	
3/1/2031	176,208	50,841.90	227,049.90	4,403.57	231,453.47	
6/1/2031	177,420	49,630.47	227,050.47	4,403.57	231,454.04	
9/1/2031	178,639	48,410.71	227,049.71	4,403.57	231,453.28	
12/1/2031	179,867	47,182.57	227,049.57	4,403.57	231,453.14	
3/1/2032	181,104	45,945.98	227,049.98	4,403.57	231,453.55	
6/1/2032	182,349	44,700.89	227,049.89	4,403.57	231,453.46	
9/1/2032	183,603	43,447.24	227,050.24	4,403.57	231,453.81	
12/1/2032	184,865	42,184.97	227,049.97	4,403.57	231,453.54	
3/1/2033	186,136	40,914.03	227,050.03	4,403.57	231,453.60	
6/1/2033	187,416	39,634.34	227,050.34	4,403.57	231,453.91	
9/1/2033	188,704	38,345.86	227,049.86	4,403.57	231,453.43	

Net Debt Service City of Charleston SRF \$12,859,975 2.75% Interest Rate 0.25% Administrative Fee 20 Years from Closing Date						
Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service	
12/1/2033	190,001	37,048.52	227,049.52	4,403.57	231,453.09	
3/1/2034	191,308	35,742.26	227,050.26	4,403.57	231,453.83	
6/1/2034	192,623	34,427.02	227,050.02	4,403.57	231,453.59	
9/1/2034	193,947	33,102.73	227,049.73	4,403.57	231,453.30	
12/1/2034	195,281	31,769.35	227,050.35	4,403.57	231,453.92	
3/1/2035	196,623	30,426.79	227,049.79	4,403.57	231,453.36	
6/1/2035	197,975	29,075.01	227,050.01	4,403.57	231,453.58	
9/1/2035	199,336	27,713.93	227,049.93	4,403.57	231,453.50	
12/1/2035	200,707	26,343.49	227,050.49	4,403.57	231,454.06	
3/1/2036	202,086	24,963.63	227,049.63	4,403.57	231,453.20	
6/1/2036	203,476	23,574.29	227,050.29	4,403.57	231,453.86	
9/1/2036	204,875	22,175.40	227,050.40	4,403.57	231,453.97	
12/1/2036	206,283	20,766.88	227,049.88	4,403.57	231,453.45	
3/1/2037	207,701	19,348.68	227,049.68	4,403.57	231,453.25	
6/1/2037	209,129	17,920.74	227,049.74	4,403.57	231,453.31	
9/1/2037	210,567	16,482.98	227,049.98	4,403.57	231,453.55	
12/1/2037	212,015	15,035.33	227,050.33	4,403.57	231,453.90	
3/1/2038	213,472	13,577.73	227,049.73	4,403.57	231,453.30	
6/1/2038	214,940	12,110.11	227,050.11	4,403.57	231,453.68	
9/1/2038	216,418	10,632.39	227,050.39	4,403.57	231,453.96	
12/1/2038	217,905	9,144.52	227,049.52	4,403.57	231,453.09	
3/1/2039	219,404	7,646.42	227,050.42	4,403.57	231,453.99	
6/1/2039	220,912	6,138.02	227,050.02	4,403.57	231,453.59	
9/1/2039	222,431	4,619.25	227,050.25	4,403.57	231,453.82	
12/1/2039	223,960	3,090.04	227,050.04	4,403.57	231,453.61	
3/1/2040	225,500	1,550.31	227,050.31	4,403.79	231,454.10	
	12,859,975	3,487,629.91	16,347,604.91	317,057.26	16,664,662.17	
<p>The quarterly administration fee is calculated based upon) 0.25% of the loan payments and will be \$4,403.79, with a final payment of \$4,403.79, to total \$317,057.26.</p>						
<p>Apr 8, 2020 10:10 am Prepared by Piper Sandler</p>						
<p>(WDA:LOANS-CHAR120) 4</p>						

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THE CITY OF CHARLESTON

SEWERAGE SYSTEM
BOND SUPPLEMENTAL ORDINANCE

THE CITY OF CHARLESTON
SEWERAGE SYSTEM
BOND SUPPLEMENTAL ORDINANCE

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1 Bill No. _____
2
3 Ordinance No. _____
4

5
6 Introduced in Council: Referred to:
7
8 _____
9

10 Introduced by: Passed by Council:
11
12 _____
13

14
15 A Bill supplementing Ordinance No. 4423 passed by the Council of The City of Charleston,
16 West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the
17 Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993,
18 by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349
19 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on
20 November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by
21 Ordinance No. 6670 passed by the Council on February 5, 2001, by Ordinance No. 6777 passed
22 by the Council on March 19, 2001, by Ordinance No. 6948 passed by the Council on November
23 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003, by Ordinance No. 7132
24 passed by the Council on March 7, 2005, by Ordinance No. 7490 passed by the Council on
25 September 6, 2011, by Ordinance No. 7560 passed by the Council on February 19, 2013; and by
26 Ordinance No. 7680 passed by the Council on February 16, 2016, authorizing the design,
27 acquisition and construction of certain extensions, additions, betterments and improvements to
28 the existing sewerage system of The City of Charleston; authorizing the issuance of not more
29 than \$16,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or
30 more series as designated in a supplemental resolution, of The City of Charleston, the proceeds
31 of which, shall be used, along with other funds and moneys of, or available to, The City of
32 Charleston which may be lawfully expended for such purposes, to permanently finance the cost
33 of such design, acquisition and construction, to fund reserve accounts for such bonds and to pay
34 other costs in connection therewith; providing for the rights and remedies of and security for the
35 registered owners of such bonds; and adopting other provisions related thereto.

36
37 Be It Ordained by the Council of The City of Charleston, West Virginia:
38

1
2 ARTICLE I
3 STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

4 Section 1.01. Authority of this Ordinance. This Ordinance is enacted pursuant to
5 the provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the
6 “Act”), and other applicable provisions of law, and as a supplement to Ordinance No. 4423
7 passed by the Council of The City of Charleston (the “Council”) on March 6, 1989, as
8 supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by
9 Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by
10 the Council on September 3, 1996, by Ordinance No. 6349, passed by the Council on June 2,
11 1997, and by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance
12 No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the
13 Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001,
14 by Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977
15 passed by the Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March
16 7, 2005, by Ordinance No. 7490 passed by the Council on September 6, 2011, by Ordinance No.
17 7560 passed by the Council on February 19, 2013, and by Ordinance No. 7680 passed by the
18 Council on February 16, 2016 (collectively, the “Prior Ordinances”).
19

20 Section 1.02. Findings. It is hereby found, determined and declared as follows:
21

22 A. The City of Charleston, West Virginia (the “City” or the “Issuer”), now
23 owns a sewerage system (the existing system, the Project, as hereinafter defined and any
24 additions, extensions, and improvements thereto is hereinafter, the “System”), both within and
25 without the corporate limits of the City, consisting of a sewage treatment plant or plants and its
26 collecting, intercepting and outlet sewers, lateral sewers, drains, force mains, conduits, pumping
27 stations and ejector stations and all other appurtenances, extensions, improvements and
28 betterments necessary, appropriate, useful, convenient or incidental for the collection, treatment,
29 purification and disposal in a sanitary manner of liquid and solid waste, sewage and industrial
30 waste.
31

32 B. In accordance with Section 2 of the Act, the System is under the
33 supervision and control of the Sanitary Board of the City (the “Sanitary Board”).
34

35 C. The Sanitary Board has presented a petition to the City for the design,
36 acquisition and construction of certain extensions, additions, betterments and improvements to
37 the System (the “Project”) as more fully described on Exhibit A, the enactment of this Ordinance
38 and the issuance of the sewerage system revenue bonds (the “Series 2020 A Bonds”) to pay the
39 cost of the Project.
40

41 D. The estimated maximum cost of design, acquisition and construction of
42 the Project is not to exceed \$16,000,000 (including all financing related costs), which will be
43 obtained from the proceeds of the Series 2020 A Bonds herein authorized.
44

1 E. The acquisition and construction of the System were financed or
2 refinanced with proceeds of certain obligations of the City, which obligations are designated and
3 have lien positions as follows:
4

	<u>Designation</u>	<u>Lien Position</u>
5		
6		
7	1. \$1,912,194 Sewer Revenue Bonds,	First Lien
8	Series 1989 A, dated March 21, 1989	
9	(the "Series 1989 A Bonds").	
10		
11	2. \$829,856 Sewer Revenue Bonds,	First Lien
12	Series 1989 C, dated November 21, 1989	
13	(the "Series 1989 C Bonds").	
14		
15	3. \$686,229 Sewerage System Revenue Bonds,	First Lien
16	1999 Series A, dated June 22, 1999	
17	(the "Series 1999 A Bonds").	
18		
19	4. \$823,741 Sewerage System Revenue Bonds,	First Lien
20	2001 Series B, dated May 22, 2001	
21	(the "Series 2001 B Bonds").	
22		
23	5. \$9,835,120 Sewerage System Revenue	First Lien
24	Bonds, Series 2004 A, dated March 23, 2004	
25	(the "Series 2004 A Bonds").	
26		
27	6. \$36,617,310 Sewerage System Revenue	First Lien
28	Bonds, Series 2005 A, dated May 5, 2005	
29	(the "Series 2005 A Bonds").	
30		
31	7. \$9,000,000 Sewerage System Revenue	First Lien
32	Bonds, Series 2008 A, dated June 26, 2008	
33	(the "Series 2008 A Bonds").	
34		
35	8. \$25,877,009 Sewerage System Revenue Bonds,	First Lien
36	Series 2011 A, dated December 13, 2011	
37	(the "Series 2011 A Bonds").	
38		
39	9. \$11,613,300 Sewerage System Revenue	First Lien
40	Bonds, Series 2013 A, dated March 27, 2013	
41	(the "Series 2013 A Bonds").	
42		
43	10. \$13,145,000 Sewerage System Revenue Bonds,	First Lien
44	Series 2016 A, dated September 22, 2016	
45	(the "Series 2016 A Bonds").	
46		

- 1 11. \$283,458 Supplemental Sewer Revenue Second Lien
- 2 Bonds, Series 1989 B, dated March 21, 1989
- 3 (the "Series 1989 B Bonds").
- 4
- 5 12. \$123,015 Supplemental Sewer Revenue Second Lien
- 6 Bonds, Series 1989 D, dated November 21, 1989
- 7 (the "Series 1989 D Bonds").
- 8
- 9 13. \$132,072 Sewerage System Revenue Bonds, Second Lien
- 10 1999 Series B, dated June 22, 1999
- 11 (the "Series 1999 B Bonds").
- 12
- 13 14. \$30,492 Sewerage System Revenue Bonds, Second Lien
- 14 2001 Series C, dated May 22, 2001
- 15 (the "Series 2001 C Bonds").
- 16
- 17 15. \$1,822,690 Sewerage System Revenue Bonds, Second Lien
- 18 Series 2005 B-1, dated May 5, 2005
- 19 (the "Series 2005 B-1 Bonds").
- 20

21 The Series 1989 A Bonds, the Series 1989 C Bonds, the Series 1998 A Bonds, the

22 Series 1999 A Bonds, the Series 2001 B Bonds, the Series 2004 A Bonds, the Series 2005 A

23 Bonds, the Series 2008 A Bonds, the Series 2011 A Bonds, the Series 2013 A Bonds and the

24 Series 2016 A Bonds are collectively referred to as the "First Lien Bonds." The Series 1989 B

25 Bonds, the Series 1989 D Bonds, the Series 1999 B Bonds, the Series 2001 C Bonds, and the

26 Series 2005 B-1 Bonds are collectively referred to as the "Second Lien Bonds," which are

27 subordinate and junior to the First Lien Bonds and the Bonds. The First Lien Bonds and the

28 Second Lien Bonds are collectively referred to as the "Prior Bonds."

29

30 F. The City derives revenues from the System, and, except for the pledges

31 thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any

32 manner.

33

34 G. It is necessary and essential to design, acquire and construct the Project,

35 generally described on Exhibit A hereto and incorporated herein by reference, in order to

36 preserve the public health, to be financed through the issuance of the Bonds, in the aggregate

37 principal amount not to exceed \$16,000,000 (including financing costs). The period of

38 usefulness of the System after completion of the Project is not less than 40 years.

39

40 H. The estimated revenues to be derived in each year after the enactment of

41 this Ordinance from the operation of the System will be sufficient to pay all Operating Expenses

42 of the System, the principal of and interest on the Prior Bonds and the Series 2020 A Bonds and

43 all funds and accounts and other payments provided for in this Ordinance and the Prior

44 Ordinances.

45

1 I. The Series 2020 A Bonds and the Certificate of Authentication and
2 Registration to be endorsed thereon are to be in substantially the form set forth in a Supplemental
3 Resolution or as deemed necessary by the Registrar or the City.
4

5 J. All things necessary to make the Series 2020 A Bonds, when
6 authenticated by the Registrar and issued as in this Ordinance and the Supplemental Resolution
7 provided, the valid, binding and legal special obligations of the City according to the import
8 thereof, and to validly pledge and assign those funds pledged hereby to the payment of the
9 principal of and interest on the Series 2020 A Bonds, will be timely done and duly performed.
10

11 K. The enactment of this Ordinance, and the execution and issuance of the
12 Series 2020 A Bonds, subject to the terms thereof, will not result in any breach of, or constitute a
13 default under, any instrument to which the City is a party or by which it may be bound or
14 affected.
15

16 L. The City is a governmental unit which has general taxing powers to
17 finance operations of or facilities of the nature of the Project and the System; 95% or more of the
18 Net Proceeds of the Series 2020 A Bonds are to be used for local government activities of the
19 City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the
20 City).
21

22 M. It is deemed necessary for the City to issue the Series 2020 A Bonds in the
23 aggregate principal amount of not more than \$16,000,000, to permanently finance the costs of
24 design, acquisition and construction of the Project, fund capitalized interest, if any, fund the
25 reserve account and pay costs of issuance. Such costs shall be deemed to include the cost of all
26 property rights, easements and franchises deemed necessary or convenient therefor; repayment
27 of any interim financing notes; interest on the Bonds prior to and during construction or
28 acquisition and for six months after completion of construction of the Project; engineering and
29 legal expenses; expenses for estimates of cost and revenues; expenses for plans, specifications
30 and surveys; other expenses necessary or incident to determining the feasibility or practicability
31 of the enterprise; administrative expense, any fees or expenses of the Original Purchaser,
32 commitment fees, premiums for municipal bond insurance policy, debt service reserve account
33 policy, or debt service reserve surety bond; letter of credit fees; underwriter's discount; rating
34 agency fees; initial fees for the service of registrars, paying agents, depositories or trustees or
35 other costs in connection with the sale of the Bonds, and such other expenses as may be
36 necessary or incidental to the financing herein authorized, the construction or acquisition of the
37 Project and the placing of the same in operation, and the performance of the things herein
38 required or permitted, in connection with any thereof; provided, that reimbursement to the City
39 or Sanitary Board for any amounts expended by it for allowable costs prior to the issuance of the
40 Bonds or the repayment of the indebtedness incurred by the City or Sanitary Board for such
41 purposes shall be deemed part of the Cost of the Project.
42

43 N. It is in the best interests of the City that the Series 2020 A Bonds be sold
44 to the Original Purchaser pursuant to the terms and provisions set forth in the Supplemental
45 Resolution.
46

1 O. Prior to the issuance of the Series 2020 A Bonds, the City shall obtain (i) a
2 certificate from an independent certified public accountant stating that the coverage and parity
3 tests of the First Lien Bonds have been met; and (ii) if required, the written consent of the
4 registered owners, of the Prior Bonds to the issuance of the Bonds on a parity with the First Lien
5 Bonds and senior and prior to the Second Lien Bonds. The Series 2020 A Bonds shall be issued
6 with a lien on the Net Revenues on a parity with the lien held by the registered owners of the
7 First Lien Bonds, but the lien of the Bonds shall be senior and superior to the lien of the
8 registered owners of the Second Lien Bonds. Other than the Prior Bonds, there are no other
9 outstanding bonds or obligations of the City which are secured by revenues or assets of the
10 System.

11
12 P. The City has complied with all requirements of West Virginia law relating
13 to the authorization of the design, acquisition, construction and operation of Project and the
14 System and issuance of the Series 2020 A Bonds, or will have so complied prior to the issuance
15 of any of the Series 2020 A Bonds.

16
17 Q. The City will not permit, at any time, any of the proceeds of the Series
18 2020 A Bonds or any other funds of the City to be used directly or indirectly in a manner which
19 would result in the inclusion of interest on the Series 2020 A Bonds in the gross income of the
20 owners thereof for federal income tax purposes.

21
22 R. The Project has been approved by the West Virginia Infrastructure and
23 Jobs Development Council as required under Chapter 31, Article 15A of the Code of West
24 Virginia, 1931, as amended.

25
26 Section 1.03. Ordinance Constitutes Contract. In consideration of the acceptance
27 of the Series 2020 A Bonds authorized to be issued hereunder by those who shall own the same
28 from time to time, the Ordinance shall be deemed to be and shall constitute a contract between
29 the City and such Registered Owners, and the covenants and agreements herein set forth to be
30 performed by the City shall be for the equal benefit, protection and security of the Registered
31 Owners of any and all of such Bonds issued hereunder, all of which shall be of equal rank and
32 without preference, priority or distinction between any one Bond and any other Bond by reason
33 of priority of issuance or otherwise, except as expressly provided therein and herein.

34
35 Section 1.04. Definitions. Except as provided below, terms used in this
36 Supplemental Ordinance have the meanings set forth in the Prior Ordinances, as supplemented
37 by this Supplemental Ordinance, unless the context expressly requires otherwise.

38
39 “Act” means Chapter 16, Article 13 and Chapter 22C, Article 1 of the Code of
40 West Virginia, 1931, as amended and in effect on the date of enactment of this Ordinance.

41
42 “Authority” means the West Virginia Water Development Authority, which is
43 expected to be the original purchaser and Registered Owner of the Series 2020 A Bonds, or any
44 other agency, board or department of the State of West Virginia that succeeds to the functions of
45 the Authority, acting in its administrative capacity and upon authorization from the DEP under
46 the Act.

1
2 “Authorized Officer” means the Mayor of the City or any other officer of the City
3 specifically designated by ordinance or resolution of the Council of the City.
4

5 “Bond Counsel” means any law firm having a national reputation in the field of
6 municipal law whose opinions are generally accepted by purchasers of municipal bonds,
7 appointed by the City or the Sanitary Board, and shall initially mean Jackson Kelly PLLC,
8 Charleston, West Virginia.
9

10 “Bond Purchase Agreement” or “Loan Agreement” means the Bond Purchase
11 Agreement or Loan Agreement heretofore entered, or to be entered, into by and among the City,
12 the Authority and the DEP, providing for the purchase of the Series 2020 A Bonds from the City
13 by the Authority, the form of which shall be approved, and the execution and delivery by the
14 City authorized and directed or ratified, by the Supplemental Resolution.
15

16 “Bond Register” means the books of the City maintained by the Registrar for the
17 registration and transfer of the Series 2020 A Bonds.
18

19 “Bond Year” means the 12-month period beginning on the anniversary of the
20 Closing Date in each year and ending on the day prior to the anniversary date of the Closing
21 Date in the following year except that the first Bond Year shall begin on the Closing Date.
22

23 “Bondholder” or “Holder of the Bonds” or “Owner of the Bonds” or “Registered
24 Owner” or any similar term means any person who shall be the Registered Owner of any
25 Outstanding Bond as hereinafter defined.
26

27 “Bonds” means the Series 2020 A Bonds, the Prior Bonds and any future bonds
28 issued by the City for the System.
29

30 “Bonds Construction Trust Fund” means the Bonds Construction Trust Fund
31 created by Section 4.01 D hereof.
32

33 “City Clerk” means the City Clerk of the City.
34

35 “Closing Date” means the date upon which there is an exchange of the Series
36 2020 A Bonds for all or a portion of the proceeds of the Series 2020 A Bonds from the
37 Authority.
38

39 “Code” means the Internal Revenue Code of 1986, as amended, and the
40 Regulations.
41

42 “Commission” means the West Virginia Municipal Bond Commission or any
43 other agency of the State of West Virginia which succeeds to the functions of the Commission.
44

45 “Consulting Engineers” means Burgess & Niple, Parkersburg, West Virginia, or
46 any engineer or firm of engineers, licensed by the State, which shall at any time hereafter be

1 retained by the City as Consulting Engineers for the System in accordance with Chapter 5G,
2 Article 1 of the Code of West Virginia, 1931, as amended.

3
4 “Costs of the Project” means those costs described in Section 1.02(M) hereof to
5 be a part of the cost of the design, acquisition, construction and financing of the Project.

6
7 “Council” or “City Council” means the Council of the City.

8
9 “CWSRF Program” means the State’s Water Pollution Control Revolving Fund
10 Program, under which the Authority purchases the water pollution control revenue bonds of local
11 governmental entities satisfying certain legal and other requirements with the proceeds of a
12 capitalization grant award from the United States Environmental Protection Agency and funds of
13 the State.

14
15 “DEP” means the West Virginia Department of Environmental Protection or any
16 other agency, board or department of the State that succeeds to the functions of the DEP.

17
18 “Depository Bank” means the bank or banks to be designated as such in the
19 Supplemental Resolution, and its successors and assigns.

20
21 “EMMA” means the Electronic Municipal Market Access website, a service
22 provided by the MSRB.

23
24 “FDIC” means the Federal Deposit Insurance Corporation and any successor to
25 the functions of the FDIC.

26
27 “First Lien Bonds” means the bonds defined as such in Section 1.02(E).

28
29 “Fiscal Year” means each twelve month period beginning on July 1 and ending on
30 the succeeding June 30.

31
32 “Government Obligations” means direct obligations of, or obligations the timely
33 payment of the principal of and interest on which is guaranteed by, the United States of America.

34
35 “Gross Revenues” means the aggregate gross operating and non-operating
36 revenues of the System, as hereinafter defined, determined in accordance with generally
37 accepted accounting principles, after deduction of prompt payment discounts, if any, and
38 reasonable provision for uncollectible accounts; provided, that “Gross Revenues” does not
39 include any gains from the sale or other disposition of, or from any increase in the value of,
40 capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to
41 Section 8.01 hereof).

42
43 “Independent Accountants” or “Independent Certified Public Accountants” means
44 any firm of certified public accountants which shall be retained by the City as independent
45 accountants for the System.

1 “Mayor” means the Mayor of the City.

2
3 “MSRB” means the Municipal Securities Rulemaking Board.

4
5 “Net Proceeds” means the face amount of the Series 2020 A Bonds plus accrued
6 interest and premium, if any, less original issue discount, if any, and less proceeds, if any,
7 deposited in the Reserve Accounts.

8
9 “Net Revenues” means the balance of the Gross Revenues, remaining after
10 deduction of Operating Expenses, as hereinafter defined.

11
12 “Operating Expenses” means the reasonable, proper and necessary costs of repair,
13 maintenance and operation of the System and includes, without limiting the generality of the
14 foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those
15 capitalized as part of the costs, the SRF Administrative Fee, fees and expenses of the Authority,
16 fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined),
17 other than those capitalized as part of the costs, payments to pension or retirement funds, taxes
18 and such other reasonable operating costs and expenses as should normally and regularly be
19 included under generally accepted accounting principles; provided, that “Operating Expenses”
20 does not include payments on account of the principal of or redemption premium, if any, or
21 interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or
22 from any decrease in the value of, capital assets, amortization of debt discount or such
23 miscellaneous deductions as are applicable to prior accounting periods.

24
25 “Ordinance” means the Prior Ordinances, as previously defined, as supplemented
26 by this Supplemental Ordinance and as further amended or supplemented. Unless the context
27 clearly requires a different meaning, reference to “this Ordinance” in the Prior Ordinances means
28 the Ordinance.

29
30 “Outstanding” when used with reference to Bonds, as of any particular date,
31 describes all such Bonds theretofore and thereupon being authenticated and delivered, except (i)
32 any such Bond canceled by the Registrar, at or prior to said date; (ii) any such Bond for the
33 payment of which moneys, equal to its principal amount, with interest to the date of maturity of
34 any such Bond, shall be in trust hereunder and set aside for such payment (whether upon or prior
35 to maturity); (iii) any such Bond deemed to have been paid as provided in Section 6.13 hereof;
36 and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any
37 such Bond registered to the City.

38
39 “Parity Bonds” means additional Bonds issued under the provisions and within
40 the limitations prescribed by Section 7.07 hereof.

41
42 “Paying Agent” means the West Virginia Municipal Bond Commission or other
43 entity designated as such for the Bonds in the Supplemental Resolution.

44
45 “Prior Bonds” means, collectively, the bonds as defined in Section 1.02(E) hereof.
46

1 “Prior Bonds Reserve Accounts” means, collectively, the respective reserve
2 accounts created for the Prior Bonds, as more fully described and defined in the Prior
3 Ordinances.

4
5 “Prior Ordinances” means, collectively, the Ordinances authorizing the Prior
6 Bonds as set forth in Section 1.01 hereof.

7
8 “Private Business Use” means use (directly or indirectly) in a trade or business
9 carried on by any person other than a governmental unit; provided that, use as a member of the
10 general public shall not be taken into account, all as determined by the Code.

11
12 “Project” means the extensions, additions, betterments and improvements to the
13 existing sewerage system of the City described in Exhibit A attached hereto.

14
15 “Purchase Price,” for the purpose of computation of the Yield of the Bonds, has
16 the same meaning as the term “issue price” in Sections 1273(b) and 1274 of the Code, and, in
17 general, means the initial offering price of the Bonds to the public (not including bond houses
18 and brokers, or similar persons or organizations acting in the capacity of underwriters or
19 wholesalers) at which price a substantial amount of the Bonds of each maturity is sold or, if the
20 Bonds are privately placed, the price paid by the first buyer of the Bonds or the acquisition cost
21 of the first buyer. “Purchase Price,” for purposes of computing Yield of Nonpurpose
22 Investments, means the fair market value of the Nonpurpose Investments on the date of use of
23 Gross Proceeds of the Bonds for acquisition thereof, or if later, on the date that Investment
24 Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Bonds.

25
26 “Qualified Investments” means and includes any of the following:

27
28 (a) Government Obligations;

29
30 (b) Government Obligations which have been stripped of their unmatured
31 interest coupons, interest coupons stripped from Government Obligations, and receipts or
32 certificates evidencing payments from Government Obligations or interest coupons stripped
33 from Government Obligations;

34
35 (c) Bonds, debentures, notes or other evidences of indebtedness issued by any
36 of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal
37 Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks;
38 Government National Mortgage Association; Tennessee Valley Authority; or Washington
39 Metropolitan Area Transit Authority;

40
41 (d) Any bond, debenture, note, participation certificate or other similar
42 obligations issued by the Federal National Mortgage Association to the extent such obligation is
43 guaranteed by the Government National Mortgage Association or issued by any other federal
44 agency and backed by the full faith and credit of the United States of America;

1 (e) Time accounts (including accounts evidenced by time certificates of
2 deposit, time deposits or other similar banking arrangements) which, to the extent not insured by
3 the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of
4 Government Obligations, provided, that said Government Obligations pledged either must
5 mature as nearly as practicable coincident with the maturity of said time accounts or must be
6 replaced or increased so that the market value thereof is always at least equal to the principal
7 amount of said time accounts;
8

9 (f) Money market funds or similar funds whose only assets are investments of
10 the type described in paragraphs (a) through (e) above;
11

12 (g) Repurchase agreements, fully secured by investments of the types
13 described in paragraphs (a) through (e) above, with banks or national banking associations which
14 are members of FDIC or with government bond dealers recognized as primary dealers by the
15 Federal Reserve Bank of New York, provided, that said investments securing said repurchase
16 agreements either must mature as nearly as practicable coincident with the maturity of said
17 repurchase agreements or must be replaced or increased so that the market value thereof is
18 always at least equal to the principal amount of said repurchase agreements, and provided further
19 that the holder of such repurchase agreement shall have a prior perfected security interest in the
20 collateral therefor; must have (or its agent must have) possession of such collateral; and such
21 collateral must be free of all claims by third parties;
22

23 (h) The West Virginia “consolidated fund” managed by the West Virginia
24 Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of
25 1931, as amended; and
26

27 (i) Obligations of states or political subdivisions or agencies thereof, the
28 interest on which is excluded from gross income for federal income tax purposes, and which are
29 rated at least “A” by Moody’s Investors Service, Inc. or Standard & Poor’s Corporation.
30

31 “Registrar” means the entity named as such in the Supplemental Resolution.
32

33 “Regulations” means the temporary and permanent regulations promulgated
34 under the Code.
35

36 “Reserve Account” means, collectively, one or more reserve accounts for the
37 Bonds created by Section 4.03 hereof.
38

39 “Reserve Accounts” means, collectively, the respective Reserve Accounts created
40 for the Prior Bonds and the Series 2020 A Bonds.
41

42 “Reserve Requirements” means the amount required to be on deposit in the
43 Reserve Account of the Series 2020 A Bonds and the Prior Bonds, if any.
44

45 “Second Lien Bonds” means the bonds defined as such in Section 1.02(E) hereof.
46

1 “Series 2020 A Bonds” means the not more than \$16,000,000 in aggregate
2 principal amount of Sewerage System Revenue Bonds of the City, authorized by this Ordinance
3 to be issued in one or more series as designated in the Supplemental Resolution. If issued in
4 more than one series, the letter designations of the Series 2020 A Bonds shall be as set forth in
5 the Supplemental Resolution.
6

7 “Series 2020 A Bonds Reserve Account” means the Series 2020 A Bonds Reserve
8 Account established by Section 5.02 hereof.
9

10 “Series 2020 A Bonds Reserve Requirement” means, as of any date of
11 calculation, the maximum amount of principal and interest, if any, which will become due on the
12 Series 2020 A Bonds in the then current year or any succeeding year.
13

14 “Series 2020 A Bonds Sinking Fund” means the Series 2020 A Bonds Sinking
15 Fund established by Section 5.02 hereof.
16

17 “Sinking Fund” means, collectively, one or more Sinking Funds for the Bonds
18 created by Section 4.03 hereof.
19

20 “Sinking Funds” means, collectively, the respective Sinking Funds created for the
21 Prior Bonds and the Series 2020 A Bonds.
22

23 “SRF Administrative Fee” means any administrative fee required to be paid under
24 the Bond Purchase Agreement for the Series 2020 A Bonds.
25

26 “State” means the State of West Virginia.
27

28 “Supplemental Ordinance” or “this Ordinance” means this ordinance as hereafter
29 amended or supplemented.
30

31 “Supplemental Resolution” means any resolution, ordinance or order of the City
32 supplementing or amending this Ordinance and, when preceded by the article “the”, refers
33 specifically to the supplemental resolutions authorizing the sale of one or more series of the
34 Series 2020 A Bonds; provided, that any matter intended by this Ordinance to be included in the
35 Supplemental Resolution with respect to the Series 2020 A Bonds and not so included may be
36 included in another Supplemental Resolution.
37

38 “Surplus Revenues” means the Net Revenues not required by the Bond
39 Legislation to be set aside and held for the payment of or security for the Series 2020 A Bonds or
40 any other obligations of the City, including, without limitation, the Renewal and Replacement
41 Fund, the Sinking Funds and the Reserve Accounts.
42

43 “System” means the complete existing sewerage system now owned by the City
44 and managed by the Sanitary Board, consisting of a sewerage treatment and collection system,
45 and shall include any extensions, additions, betterments and improvements thereto, including the

1 Project, hereafter acquired or constructed for the sewerage system from any sources whatsoever,
2 both within and without the City.

3
4 Words importing singular number shall include the plural number in each case
5 and vice versa, and words importing persons shall include firms and corporations. Words
6 importing the masculine gender include all other genders.

7
8 Additional terms and phrases are defined in this Ordinance as they are used.
9 Accounting terms not specifically defined herein shall be given meaning in accordance with
10 general accepted accounting principles.

11
12 The terms “herein”, “hereunder”, “hereby”, “hereto”, “hereof” and any similar
13 terms refer to this Ordinance; and the term “hereafter” means after the date of the enactment of
14 this Ordinance.

15
16 Articles, sections and subsections mentioned by number only are the respective
17 articles, sections and subsections of this Ordinance so numbered.

18
19 ARTICLE II
20 AUTHORIZATION OF EXTENSIONS, ADDITIONS, BETTERMENTS
21 AND IMPROVEMENTS TO SYSTEM

22
23 Section 2.01. Authorization of Extensions, Additions, Betterments and
24 Improvements. There is hereby authorized and ordered the design, acquisition and construction
25 of the Project at an estimated cost of not to exceed \$16,000,000 (including financing costs), in
26 accordance with plans and specifications prepared by the Consulting Engineers, approved by the
27 City, and on file in the office of the Sanitary Board.

28
29 Prior to the issuance of the Series 2020 A Bonds, the City will have received bids
30 for the design, acquisition and construction of the Project which are in an amount and otherwise
31 compatible with the financing plan approved by the Sanitary Board.

32
33 ARTICLE III
34 AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

35
36 Section 3.01. Authorization and Terms of Bonds. For the purposes of
37 capitalizing interest on the Series 2020 A Bonds, funding the Reserve Account for the Series
38 2020 A Bonds, paying Costs of the Project not otherwise provided for, paying costs of issuance
39 of the Series 2020 A Bonds and related costs, or any or all of such purposes, as determined by
40 the Supplemental Resolution, there shall be and hereby are authorized to be issued the Series
41 2020 A Bonds of the City. The Series 2020 A Bonds shall be issued in one or more series as set
42 forth in the Supplemental Resolution, designated as “Sewerage System Revenue Bonds”, in an
43 aggregate principal amount of not more than \$16,000,000. The Series 2020 A Bonds shall be
44 issued in such principal amounts, shall have the series designation, shall be dated as of the date
45 of delivery thereof, shall bear interest at such rate or rates, not exceeding the then legal
46 maximum rate, and shall mature at such times and in such amounts as shall be set forth in the

1 Supplemental Resolution. The repayment of principal and interest on the Series 2020 A Bonds
2 shall be as set forth in the Supplemental Resolution. The Series 2020 A Bonds shall contain
3 such other terms, provisions, conditions and limitations, all as provided by this Ordinance and as
4 the Council of the City shall prescribe by resolution (or by supplemental or amendatory
5 ordinance of said Council as said Council shall determine) adopted in connection with the sale of
6 such Bonds.

7
8 If the Series 2020 A Bonds are sold to the Authority, they shall be payable as to
9 principal at the office of the Paying Agent in any coin or currency which, on the dates of
10 payment of principal is legal tender for the payment of public or private debts under the laws of
11 the United States of America. Interest on the Series 2020 A Bonds shall be paid by check or
12 draft mailed to the registered owner thereof at the address as it appears on the books of the Bond
13 Registrar.

14
15 Each series of Series 2020 A Bonds shall be issued in fully registered form, in
16 such denominations and shall have such terms as set forth in the Supplemental Resolution. The
17 Series 2020 A Bonds shall be exchangeable at the option and expense of the Registered Owner
18 for another fully registered Bonds in aggregate principal amount equal to the amount of the
19 Series 2020 A Bonds then Outstanding, with principal installments or maturities, as applicable,
20 corresponding to the dates of payment of principal installments of the Bonds.

21
22 Section 3.02. Execution of Bonds. The Series 2020 A Bonds shall be executed in
23 the name of the City by the Mayor and attested by the City Clerk, and the seal of the City shall
24 be affixed thereto or imprinted thereon. In case any one or more of the officers who shall have
25 signed or sealed any of the Series 2020 A Bonds shall cease to be such officer of the City before
26 the Series 2020 A Bonds so signed and sealed have been sold and delivered, such Series 2020 A
27 Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the
28 person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2020 A
29 Bonds may be signed and sealed on behalf of the City by such person as, at the actual time of the
30 execution of such Series 2020 A Bonds, shall hold the proper office in the City, although at the
31 date of such Series 2020 A Bonds such person may not have held such office or may not have
32 been so authorized.

33
34 Section 3.03. Authentication and Registration. No Series 2020 A Bond shall be
35 valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance
36 unless and until the Certificate of Authentication and Registration on such Bond, substantially in
37 the form set forth in the Supplemental Resolution, shall have been duly manually executed by
38 the Registrar. Any such executed Certificate of Authentication and Registration upon any such
39 Series 2020 A Bond shall be conclusive evidence that such Bond has been authenticated,
40 registered and delivered under this Ordinance. The Certificate of Authentication and
41 Registration on any Bond shall be deemed to have been executed by the Registrar if manually
42 signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer
43 sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

44
45 Section 3.04. Negotiability, Transfer and Registration. Subject to the provisions
46 for transfer of registration set forth below, the Series 2020 A Bonds shall be, and have all of the

1 qualities and incidents of negotiable instruments under the Uniform Commercial Code of the
2 State of West Virginia, and each successive Registered Owner, in accepting any of said Bonds
3 shall be conclusively deemed to have agreed that such Bonds shall be and have all of the
4 qualities and incidents of negotiable instruments under the Uniform Commercial Code of the
5 State of West Virginia, and each successive Registered Owner shall further be conclusively
6 deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide owner
7 for value.
8

9 So long as any of the Series 2020 A Bonds remain Outstanding, the City, through
10 the Registrar, shall keep and maintain books for the registration and transfer of the Series 2020 A
11 Bonds.
12

13 Bonds shall be transferable only upon the books of the Registrar, by the
14 Registered Owner thereof in person or by the Registered Owner's attorney duly authorized in
15 writing, upon surrender thereto, together with a written instrument of transfer satisfactory to the
16 Registrar, duly executed by the Registered Owner or the Registered Owner's duly authorized
17 attorney.
18

19 In all cases in which the privilege of exchanging Series 2020 A Bonds or
20 transferring Series 2020 A Bonds is exercised, Bonds shall be delivered in accordance with the
21 provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall
22 forthwith be canceled by the Registrar. For every such exchange or transfer of Bonds, the
23 Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental
24 charge required to be paid with respect to such exchange or transfer and the cost of preparing
25 each new Bond upon each exchange or transfer, and any other expenses of the Registrar incurred
26 in connection therewith, which sum or sums shall be paid by the City. The Registrar shall not be
27 obliged to make any such exchange or transfer of Bonds during the 15 days preceding an interest
28 payment date on the Bonds, or, in the case of any proposed redemption of Bonds, next preceding
29 the date of the selection of Bonds to be redeemed.
30

31 Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series
32 2020 A Bond shall become mutilated or be destroyed, stolen or lost, the City may, in its
33 discretion, issue and deliver a new Series 2020 A Bond in exchange and substitution for such
34 mutilated Series 2020 A Bond, upon surrender and cancellation of such mutilated Series 2020 A
35 Bond, or in lieu of and substitution for the Series 2020 A Bond destroyed, stolen or lost, and
36 upon the Registered Owner's furnishing the City proof of ownership thereof and satisfactory
37 indemnity and complying with such other reasonable regulations and conditions as the City may
38 prescribe and paying such expenses as the City may incur and the Registrar shall authenticate the
39 new Series 2020 A Bond. All Series 2020 A Bonds so surrendered shall be canceled by the
40 Registrar and held for the account of the City. If such Series 2020 A Bond shall have matured or
41 be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being
42 indemnified as aforesaid, and, if such Bond be lost, stolen, or destroyed, without surrender
43 therefor.
44

45 Any such duplicate Series 2020 A Bonds issued pursuant to this Section shall
46 constitute original, additional contractual obligations on the part of the City, whether or not the

1 lost, stolen or destroyed Series 2020 A Bonds be at any time found by anyone, and such
2 duplicate Series 2020 A Bonds shall be entitled to equal and proportionate benefits and rights as
3 to lien and source of security for payment from the revenues pledged herein with all other Series
4 2020 A Bonds issued hereunder.

5
6 Section 3.06. Bonds not to be Indebtedness of the City. The Series 2020 A
7 Bonds shall not, in any event, be or constitute a corporate indebtedness of the City within the
8 meaning of any statutory or constitutional limitations, but shall be payable solely from the Net
9 Revenues derived from the operation of the System as herein provided on a parity with the First
10 Lien Bonds but senior and superior to the Second Lien Bonds. No Registered Owner of the
11 Series 2020 A Bonds shall ever have the right to compel the exercise of the taxing power of the
12 City to pay the Bonds or any interest thereon.

13
14 Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the
15 debt service on the Series 2020 A Bonds shall be secured forthwith equally and ratably with each
16 other by a first lien on the Net Revenues derived from the System on a parity with the First Lien
17 Bonds but senior and superior to the Second Lien Bonds. Such Net Revenues in an amount
18 sufficient to pay the principal of and interest on and other payments for the Series 2020 A Bonds
19 and the Prior Bonds and to make the payments into the sinking funds and the reserve accounts
20 therein and in the Renewal and Replacement Fund established herein or in the Prior Ordinances
21 are hereby irrevocably pledged to the payment of the principal of and any interest on the Series
22 2020 A Bonds and the Prior Bonds as the same become due.

23
24 Section 3.08. Form of Bonds. The text of the Series 2020 A Bonds shall be in
25 substantially the following forms, with such omissions, insertions and variations as may be
26 necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution
27 adopted prior to the issuance thereof:

28
29 [Remainder of page intentionally left blank]
30

(FORM OF SERIES 2020 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2020 A (WEST VIRGINIA CWSRF PROGRAM)

No. AR-1 \$ _____

KNOW ALL MEN BY THESE PRESENTS: The ___ day of _____, 2020, that THE CITY OF CHARLESTON, a municipal corporation organized and existing under the laws of the State of West Virginia in Kanawha County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the City hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, to and including _____ 1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of ___% (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, as set forth on said EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at a rate of ___% per annum. Principal and interest installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the City, the Authority and the DEP, dated _____, 2020.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing sewerage system of the City, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond

1 Ordinance duly enacted by the City on _____, 2020, as supplemented by a Supplemental
2 Resolution duly adopted by the City on _____, 2020 (the “Bond Legislation”), and is subject
3 to all the terms and conditions thereof. The Bond Legislation provides for the issuance of
4 additional bonds under certain conditions, and such bonds would be entitled to be paid and
5 secured equally and ratably from and by the funds and revenues and other security provided for
6 the Bonds under the Bond Legislation.
7

8 THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS,
9 PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS,
10 WITH THE CITY’S: \$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED
11 MARCH 21, 1989 (THE “SERIES 1989 A BONDS”); \$829,856 SEWER REVENUE BONDS,
12 SERIES 1989 C, DATED NOVEMBER 21, 1989 (THE “SERIES 1989 C BONDS”); \$686,229
13 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A, DATED JUNE 22, 1999 (THE
14 “SERIES 1999 A BONDS”); \$823,741 SEWERAGE SYSTEM REVENUE BONDS, 2001
15 SERIES B, DATED MAY 22, 2001 (THE “SERIES 2001 B BONDS”); \$9,835,120
16 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A, DATED MARCH 23, 2004
17 (THE “SERIES 2004 A BONDS”); \$36,617,310 SEWERAGE SYSTEM REVENUE
18 BONDS, SERIES 2005 A, DATED MAY 5, 2005 (THE “SERIES 2005 A BONDS”);
19 \$9,000,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED JUNE 26,
20 2008 (THE “SERIES 2008 A BONDS”); \$25,877,009 SEWERAGE SYSTEM REVENUE
21 BONDS, SERIES 2011 A, DATED DECEMBER 13, 2011 (THE “SERIES 2011 A BONDS”);
22 \$11,613,300 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A, DATED MARCH
23 27, 2013 (THE “SERIES 2013 A BONDS”); \$13,145,000 SEWERAGE SYSTEM REVENUE
24 BONDS, SERIES 2016 A, DATED SEPTEMBER 22, 2016 (THE “SERIES 2016 A BONDS”);
25 AND SENIOR TO THE CITY’S \$283,458 SUPPLEMENTAL SEWER REVENUE BONDS,
26 SERIES 1989 B, DATED MARCH 21, 1989 (THE “SERIES 1989 B BONDS”); \$123,015
27 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21,
28 1989 (THE “SERIES 1989 D BONDS”); \$132,072 SEWERAGE SYSTEM REVENUE
29 BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE “SERIES 1999 B BONDS”); \$30,492
30 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE
31 “SERIES 2001 C BONDS”); AND \$1,822,690 SEWERAGE SYSTEM REVENUE BONDS,
32 SERIES 2005 B-1, DATED MAY 5, 2005 (THE “SERIES 2005 B-1 BONDS”).
33

34 The Series 1989 A Bonds, the Series 1989 C Bonds, the Series 1998 A Bonds, the
35 Series 1999 A Bonds, the Series 2001 B Bonds, the Series 2004 A Bonds, the Series 2005 A
36 Bonds, the Series 2008 A Bonds, the Series 2011 A Bonds, the Series 2013 A Bonds and the
37 Series 2016 A Bonds are collectively referred to as the “First Lien Bonds.” The Series 1989 B
38 Bonds, the Series 1989 D Bonds, the Series 1999 B Bonds, the Series 2001 C Bonds, and the
39 Series 2005 B-1 Bonds are collectively referred to as the “Second Lien Bonds,” which are
40 subordinate and junior to the First Lien Bonds and the Bonds. The First Lien Bonds and the
41 Second Lien Bonds are collectively referred to as the “Prior Bonds.”
42

43 This Bond is payable only from and secured by a pledge of the Net Revenues to
44 be derived from the operation of the System, on a parity with the pledge of Net Revenues in
45 favor of the holders of the First Lien Bonds, and from monies in the reserve account created
46 under the Bond Legislation for the Bonds (the “Series 2020 A Bonds Reserve Account”) and

1 unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal
2 of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set
3 aside as a special fund hereby pledged for such purpose.
4

5 This Bond does not constitute an indebtedness of the City within the meaning of
6 any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the
7 same, except from said special fund provided from the Net Revenues, the monies in the Series
8 2020 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond
9 Legislation, the City has covenanted and agreed to establish and maintain just and equitable rates
10 and charges for the use of the System and the services rendered thereby, which shall be
11 sufficient, together with other revenues of the System, to provide for the reasonable expenses of
12 operation, repair and maintenance of the System, and to leave a balance each year equal to at
13 least 115% of the maximum amount payable in any year for principal of and interest, if any, on
14 the Bonds and all other obligations secured by a lien on or payable from such revenues prior to
15 or on a parity with the Bonds, including the Prior Bonds. The City has entered into certain
16 further covenants with the registered owners of the Bonds for the terms of which reference is
17 made to the Bond Legislation. Remedies provided the registered owners of the Bonds are
18 exclusively as provided in the Bond Legislation, to which reference is here made for a detailed
19 description thereof.
20

21 Subject to the registration requirements set forth herein, this Bond is transferable,
22 as provided in the Bond Legislation, only upon the books of [United Bank], Charleston, West
23 Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized
24 in writing, upon the surrender of this Bond, together with a written instrument of transfer
25 satisfactory to the Registrar, duly executed by the registered owner or its attorney duly
26 authorized in writing.
27

28 Subject to the registration requirements set forth herein, this Bond, under the
29 provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under
30 the Uniform Commercial Code of the State of West Virginia.
31

32 All money received from the sale of this Bond, after reimbursement and
33 repayment of all amounts advanced for preliminary expenses as provided by law and the Bond
34 Legislation, shall be applied solely to the payment of the costs of the Project and costs of
35 issuance hereof described in the Bond Legislation, and there shall be and hereby is created and
36 granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.
37

38 IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts,
39 conditions and things required to exist, happen and be performed precedent to and at the issuance
40 of this Bond do exist, have happened, and have been performed in due time, form and manner as
41 required by law, and that the amount of this Bond, together with all other obligations of the City,
42 does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia
43 and that a sufficient amount of the Net Revenues of the System has been pledged to and will be
44 set aside into said special fund by the City for the prompt payment of the principal of this Bond.
45

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

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[Remainder of page intentionally left blank]

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

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2020 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2020.

[_____] ,
as Registrar

Authorized Officer

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EXHIBIT B
DEBT SERVICE SCHEDULE

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(Form of)
ASSIGNMENT

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

Dated: _____, _____.

In the presence of:

1 Section 3.09. Sale of Bonds; Approval and Ratification of Execution of Bond
2 Purchase Agreement. The Series 2020 A Bonds shall be sold to the Authority, pursuant to the
3 terms and conditions of the Bond Purchase Agreement. If not so authorized by previous
4 resolution, the Mayor is specifically authorized and directed to execute the Bond Purchase
5 Agreement in the form attached hereto as “EXHIBIT A” and made a part hereof, and the City
6 Clerk is directed to affix the seal of the City, attest the same and deliver the Bond Purchase
7 Agreement to the Authority, and any such prior execution and delivery is hereby authorized,
8 approved, ratified and confirmed. The Bond Purchase Agreement, including all schedules and
9 exhibits attached thereto, is hereby approved and incorporated into this Bond Legislation.

10
11 Section 3.10. Bonds are Issued as Parity Bonds. The Series 2020 A Bonds are
12 issued as and shall constitute additional Parity Bonds in accordance with the Prior Ordinances.
13 Prior to the issuance of the Series 2020 A Bonds, the following must occur:

14
15 A. The City must receive the written consent of the Authority for the issuance
16 of parity bonds.

17
18 B. The coverage and parity requirements of the Prior Ordinances must be
19 satisfied.

20
21 C. The Series 2020 A Bonds shall not be issued unless all the payments into
22 the respective funds and accounts provided for in the Prior Ordinances on account of the Prior
23 Bonds and any other payments provided for in the Prior Ordinances, shall have been made in full
24 as required to the date of delivery of the Bonds.

25
26 Section 3.11. Persons Treated as Owners. The City, the Registrar, the Paying
27 Agent and any agent of the City, the Registrar or the Paying Agent may treat the person in whose
28 name any Bond is registered as the Registered Owner of such Series 2020 A Bond for the
29 purpose of receiving payment of the principal of and interest on such Bond and for all other
30 purposes, whether or not such Series 2020 A Bond is overdue.

31
32 Section 3.12. Delivery of Bonds. The City shall execute and deliver the Series
33 2020 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the
34 Series 2020 A Bonds to the original purchaser upon receipt of the documents set forth below:

35
36 (A) (1) If other than the Authority, a list of the names in which the Series 2020
37 A Bonds are to be registered upon original issuance, together with such taxpayer identification
38 and other information as the Registrar may reasonably require;

39
40 (B) A request and authorization to the Registrar on behalf of the City, signed
41 by an Authorized Officer, to authenticate and deliver the Series 2020 A Bonds to the original
42 purchaser;

43
44 (C) Copies of this Ordinance and the Supplemental Resolution certified by the
45 City Clerk; and
46

1 (D) The unqualified approving opinion of Bond Counsel regarding the Series
2 2020 A Bonds.

3
4 ARTICLE IV
5 APPLICATION OF BOND PROCEEDS; FUNDS AND ACCOUNTS; SYSTEM REVENUES
6 AND APPLICATION THEREOF
7

8 Section 4.01. Establishment of Funds and Accounts with Depository Bank. The
9 following special funds or accounts are hereby created (or continued) and shall be held by the
10 Depository Bank separate and apart from all other funds or accounts of the Depository Bank and
11 the City and from each other:

- 12
13 (1) Revenue Fund;
14
15 (2) Renewal and Replacement Fund; and
16
17 (3) Series 2020 A Bonds Construction Trust Fund.
18

19 Section 4.02. Establishment of Funds and Accounts with Commission. The
20 following special funds or accounts are hereby created with and shall be held by the Commission
21 separate and apart from all other funds or accounts of the Commission and the City and from
22 each other:

- 23
24 (1) Prior Bonds Sinking Funds (established by Prior Ordinances);
25
26 (2) Prior Bonds Reserve Accounts (established by Prior Ordinances);
27
28 (3) Series 2020 A Bonds Sinking Fund; and
29
30 (4) Series 2020 A Bonds Reserve Account.
31

32 Section 4.03. Application of Bond Proceeds. Upon the issuance and delivery of
33 the Series 2020 A Bonds, the City shall forthwith deposit the proceeds thereof as follows:
34

35 1. All interest accrued, if any, on the Series 2020 A Bonds from the date
36 thereof to the date of delivery thereof shall be deposited in the Series 2020 A Bonds Sinking
37 Fund and applied to payment of interest on the Series 2020 A Bonds at the first interest payment
38 date.
39

40 2. An amount of the proceeds of the Series 2020 A Bonds equal to the
41 amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond
42 Commission for deposit in the Series 2020 A Bonds Reserve Account; provided, that to the
43 extent the Series 2020 A Bonds Reserve Requirement is satisfied in whole or in part from a
44 municipal bond debt serve reserve insurance policy, letter of credit, surety bond or other credit
45 facility, proceeds of the Series 2020 A Bonds shall be deposited in the Series 2020 A Bonds

1 Reserve Account only to the extent needed to satisfy the balance of the Series 2020 A Bonds
2 Reserve Requirement.

3
4 3. The balance of Series 2020 A Bonds proceeds, if any, shall be deposited in
5 the Series 2020 A Bonds Construction Fund and disbursed as provided in Section 4.04 hereof.

6
7 Section 4.04. Disbursements From the Bond Construction Trust Fund. Except as
8 provided in Section 4.03 hereof, disbursements from the Bonds Construction Trust Fund shall be
9 made only after submission to, and approval from, the Sanitary Board of the following:

10
11 A certificate, signed by the general manager of the Sanitary Board and the
12 Consulting Engineers, stating that:

13
14 (A) None of the items for which the payment is proposed to be made has
15 formed the basis for any disbursements theretofore made;

16
17 (B) Each item for which the payment is proposed to be made is or was
18 necessary in connection with the Project and constitutes a Cost of the Project;

19
20 (C) Each of such costs has been otherwise properly incurred; and

21
22 (D) Payment for each of the items proposed is then due and owing.

23
24 Pending such application, moneys in the Bonds Construction Trust Fund shall be
25 invested and reinvested in Qualified Investments at the written direction of the City.

26
27 Section 4.05. Funds and Accounts; Flow of Funds. Following the monthly
28 payment of Operating Expenses, the City shall make monthly payments to the Commission for
29 the Prior Bonds as required under the Prior Ordinances. The monthly payments to the
30 Commission for the Series 2020 A Bonds shall be as follows:

31
32 (1) Simultaneously with the interest payments made pursuant to the
33 Ordinance and the Prior Ordinances with respect to the First Lien Bonds, the City shall also
34 deposit with the Commission in the Series 2020 A Bonds Sinking Fund on the first day of each
35 month, commencing 4 months prior to the first interest payment date of the Bonds, an amount
36 equal to 1/3rd of the amount of interest which will become due on the Bonds on the next ensuing
37 quarterly interest payment date; provided that, in the event the period to elapse between the date
38 of such initial deposit in the Series 2020 A Bonds Sinking Fund and the next quarterly interest
39 payment date is less than 4 months, then such monthly payments shall be increased
40 proportionately to provide, 1 month prior to the next quarterly interest payment date, the required
41 amount of interest coming due on such date.

42
43 (2) Simultaneously with the principal payments made pursuant to the
44 Ordinance and the Prior Ordinances with respect to the First Lien Bonds, the City shall also
45 deposit with the Commission in the Series 2020 A Bonds Sinking Fund on the first day of each
46 month, commencing 4 months prior to the first principal payment date of the Bonds, an amount

1 equal to 1/3rd of the amount of principal which will mature and become due on the Bonds on the
2 next ensuing principal payment date; provided that, in the event the period to elapse between the
3 date of such initial deposit in the Series 2020 A Bonds Sinking Fund and the next principal
4 payment date is less than 4 months, then such monthly payments shall be increased
5 proportionately to provide, 1 month prior to the next annual or quarterly principal payment date,
6 the required amount of principal coming due on such date.
7

8 (3) Simultaneously with the reserve account payments made pursuant to the
9 Ordinance and the Prior Ordinances with respect to the First Lien Bonds, the City shall also
10 deposit with the Commission in the Series 2020 A Bonds Reserve Account, if not fully funded
11 upon issuance of the Bonds, on the first day of each month, commencing on the date provided in
12 the Supplemental Resolution, an amount equal to 1/120th of the Series 2020 A Bonds Reserve
13 Requirement, until the amount in the Series 2020 A Bonds Reserve Account equals the Series
14 2020 A Bonds Reserve Requirement; provided that, no further payments shall be made into the
15 Series 2020 A Bonds Reserve Account when there shall have been deposited therein, and as long
16 as there shall remain on deposit therein, an amount equal to the Series 2020 A Bonds Reserve
17 Requirement.
18

19 (4) The City shall next make the interest payments pursuant to the Ordinance
20 and the Prior Ordinances with respect to the Second Lien Bonds.
21

22 (5) The City shall next make the principal payments pursuant to the
23 Ordinance and the Prior Ordinances with respect to the Second Lien Bonds.
24

25 (6) The City shall next make the reserve account payments made pursuant to
26 the Ordinance and the Prior Ordinances with respect to the Second Lien Bonds.
27

28 (7) The City shall next, on the first day of each month, transfer from the
29 Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement
30 Fund, an amount equal to 2 1/2% of the Gross Revenues each month (as previously set forth in
31 the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any
32 Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all
33 other funds of the City or of the Depository Bank and shall be invested and reinvested in
34 accordance with the Ordinance. Withdrawals and disbursements may be made from the Renewal
35 and Replacement Fund for replacements, repairs, or improvements or extensions to the System;
36 provided that, any deficiencies in any Reserve Account, except to the extent such deficiency
37 exists because the required payments into such account have not, as of the date of determination
38 of a deficiency, funded such account to the maximum extent required hereof, shall be promptly
39 eliminated with moneys from the Renewal and Replacement Fund.
40

41 Moneys in the respective Sinking Funds shall be used only for the purposes of
42 paying principal of and interest on the respective series of Bonds as the same shall become due.
43 Moneys in the respective Reserve Accounts shall be used only for the purposes of paying
44 principal of and interest on the respective series of Bonds as the same shall become due, when
45 other moneys in the respective Sinking Funds are insufficient therefor, and for no other purpose.
46

1 All investment earnings on moneys in the respective Reserve Accounts shall be
2 transferred, not less than once each year, to the Bonds Construction Trust Fund prior to
3 completion of the Project and thereafter, to the respective Sinking Funds.
4

5 Any withdrawals from the respective Reserve Accounts which result in a
6 reduction in the balance therein to below the applicable reserve requirement shall be
7 subsequently restored from the first Net Revenues available after all required payments to the
8 respective Sinking Funds for payment of debt service on the Bonds have been made in full.
9

10 Moneys in the Sinking Funds and the Reserve Accounts shall be invested and
11 reinvested by the Commission in accordance with Section 4.04 hereof.
12

13 If, on any monthly payment date, the revenues are insufficient to place the
14 required amount in any of the funds or accounts as provided herein and in the Prior Ordinances,
15 the deficiency shall be made up in subsequent payments, in addition to the payments which
16 would otherwise be required to be made into the funds and accounts on subsequent payment
17 dates.
18

19 Interest, principal or reserve payments, whether made for a deficiency or
20 otherwise, shall be made on a parity and pro rata, with respect to the First Lien Bonds and the
21 Bonds and thereafter, with respect to the Second Lien Bonds, in accordance with the respective
22 principal amounts then Outstanding.
23

24 The City shall on the first day of each month (if the first day is not a business day,
25 then the first business day of each month) deposit with the Commission the required interest,
26 principal and reserve account payments.
27

28 Except as provided above and in the Supplemental Resolution, all sinking fund,
29 reserve account, and renewal and replacement fund payments shall remain as governed by the
30 Prior Ordinances.
31

32 The Gross Revenues of the System shall only be used for purposes of the System.
33

34 Section 4.06. Investments. Any moneys held as a part of the funds and accounts
35 created by this Ordinance, other than the Revenue Fund, shall be invested and reinvested by the
36 Commission, the Depository Bank or such other bank or national banking association holding
37 such fund or account, as the case may be, at the direction of the City in any Qualified
38 Investments to the fullest extent possible under applicable laws, this Ordinance, the Prior
39 Ordinances, the need for such moneys for the purposes set forth herein and the specified
40 restrictions and provisions set forth in this Section 4.06.
41

42 Except as provided below, any investment shall be held in and at all times deemed
43 a part of the fund or account in which such moneys were originally held, and the interest
44 accruing thereon and any profit or loss realized from such investment shall be credited or
45 charged to the appropriate fund or account. The investments held for any fund or account shall
46 be valued at the lower of cost or then current market value, or at the redemption price thereof if

1 then redeemable at the option of the holder, including the value of accrued interest and giving
2 effect to the amortization of discount. The Commission, the Depository Bank or such other bank
3 or national banking association, as the case may be, shall sell and reduce to cash a sufficient
4 amount of such investments whenever the cash balance in any fund or account is insufficient to
5 make the payments required from such fund or account, regardless of the loss of such
6 liquidation. The Depository Bank or such other bank or national banking association may make
7 any and all investments permitted by this section through its own investment or trust department
8 and shall not be responsible for any losses from such investments, other than for its own
9 negligence or willful misconduct.

10
11 The following specific provisions shall apply with respect to any investments
12 made under this section (unless otherwise required by the Bond Insurer and as set forth in the
13 Supplemental Resolution):

14
15 (A) Qualified Investments acquired for the Series 2020 A Bonds Reserve
16 Account shall mature or be subject to retirement at the option of the holder within not more than
17 5 years from the date of such investment.

18
19 (B) The City, through the Board, shall, or shall cause the Bond Commission
20 to, annually transfer from the Series 2020 A Bonds Reserve Account, during construction to the
21 Construction Fund and thereafter to the Sinking Fund any earnings on the monies deposited
22 therein and any other funds in excess of the Series 2020 A Bonds Reserve Requirement;
23 provided, however, that there shall at all times remain on deposit in the Series 2020 A Bonds
24 Reserve Account an amount at least equal to the Reserve Requirement for the Series 2020 A
25 Bonds as set forth in the Supplemental Resolution.

26
27 (C) In computing the amount in any fund or account, Qualified Investments
28 shall be valued at the lower of the cost or the market price, exclusive of accrued interest.
29 Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal
30 from the Series 2020 A Bonds Reserve Account, whereupon it shall be valued immediately after
31 such withdrawal. If amounts on deposit in the Series 2020 A Bonds Reserve Account shall, at
32 any time, be less than the applicable Series 2020 A Bonds Reserve Requirement, the Bond
33 Insurer, if any, shall be notified immediately of such deficiency, and such deficiency shall be
34 made up from the first available Gross Revenues after required deposits to the Sinking Fund and
35 otherwise in accordance with Section 4.03(3).

36
37 (D) All amounts representing accrued and capitalized interest shall be held by
38 the Bond Commission, pledged solely to the payment of interest on the Series 2020 A Bonds, as
39 appropriate, and invested only in Government Obligations maturing at such times and in such
40 amounts as are necessary to match the interest payments to which they are pledged.

41
42 (E) Notwithstanding the foregoing, all monies deposited in the Series 2020 A
43 Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia
44 "consolidated fund" managed by the West Virginia Investment Management Board pursuant to
45 Chapter 12, Article 6C of the Code of West Virginia, 1931, as amended.

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ARTICLE V
DEFAULT AND REMEDIES

Section 5.01. Events of Default. Each of the following events shall constitute an “Event of Default” with respect to the Bonds:

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

(2) If default occurs in the City’s observance of any of the covenants, agreements or conditions on its part relating to the Series 2020 A Bonds set forth in this Ordinance, any supplemental resolution or in the Series 2020 A Bonds, and such default shall have continued for a period of 30 days after the City shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Registered Owner of a Bond; or

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

(4) If an Event of Default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 5.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2020 A Bond or any Bond Insurer if the Series 2020 A Bonds are insured may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the City to perform its duties under the Act and the Ordinance relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the City to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Ordinance with respect to the Series 2020 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2020 A Bonds shall be on a parity with those of the Registered Owners of the First Lien Bonds and senior and prior to those of the Registered Owners of the Second Lien Bonds.

Section 5.03. Appointment of Receiver. Any Registered Owner of a Series 2020 A Bond or any Bond Insurer if the Series 2020 A Bonds are insured may, by proper legal action, compel the performance of the duties of the City under the Ordinance and the Act, including, the completion of the Project and the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Bonds, any Registered Owner of a Series 2020 A Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the City, with the power

1 to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating
2 Expenses of the System, the payment of the Bonds and interest and the deposits into the funds
3 and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues
4 in conformity with the provisions of this Ordinance and the Act.
5

6 The receiver so appointed shall forthwith, directly or by his or her or its agents
7 and attorneys, enter into and upon and take possession of all facilities of the System and shall
8 hold, operate and maintain, manage and control such facilities, and each and every part thereof,
9 and in the name of the City exercise all the rights and powers of the City with respect to said
10 facilities as the City itself might exercise.
11

12 Whenever all that is due upon the Series 2020 A Bonds and interest thereon and
13 under any covenants of this Ordinance for reserve, sinking or other funds and upon any other
14 obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the
15 System shall have been paid and made good, and all defaults under the provisions of this
16 Ordinance shall have been cured and made good, possession of the System shall be surrendered
17 to the City upon the entry of an order of the court to that effect. Upon any subsequent default,
18 any Registered Owner of any Bonds shall have the same right to secure the further appointment
19 of a receiver upon any such subsequent default.
20

21 Such receiver, in the performance of the powers hereinabove conferred upon him
22 or her or it, shall be under the direction and supervision of the court making such appointment,
23 shall at all times be subject to the orders and decrees of such court and may be removed thereby,
24 and a successor receiver may be appointed in the discretion of such court. Nothing herein
25 contained shall limit or restrict the jurisdiction of such court to enter such other and further
26 orders and decrees as such court may deem necessary or appropriate for the exercise by the
27 receiver of any function not specifically set forth herein.
28

29 Any receiver appointed as provided herein shall hold and operate the System in
30 the name of the City and for the joint protection and benefit of the City and Registered Owners
31 of the Series 2020 A Bonds. Such receiver shall have no power to sell, assign, mortgage or
32 otherwise dispose of any assets of any kind or character belonging or pertaining to the System,
33 but the authority of such receiver shall be limited to the completion of the Project and the
34 possession, operation and maintenance of the System for the sole purpose of the protection of
35 both the City and Registered Owners of such Bonds and the curing and making good of any
36 Event of Default with respect thereto under the provisions of this Ordinance, and the title to and
37 ownership of the System shall remain in the City, and no court shall have any jurisdiction to
38 enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or
39 otherwise dispose of any assets of the System.
40

41 ARTICLE VI
42 ADDITIONAL COVENANTS OF THE CITY
43

44 All the covenants, agreements and provisions of the Prior Ordinances shall remain
45 in full force and effect as long as the Prior Bonds and the Series 2020 A Bonds are outstanding

1 and shall apply to the Series 2020 A Bonds as if fully set out herein. The following covenants
2 are supplemental and in addition to the covenants set forth in the Prior Ordinances
3

4 Section 6.01. Bonds not to be Indebtedness of the City. The Series 2020 A
5 Bonds shall not be nor constitute an indebtedness of the City within the meaning of any
6 constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the
7 funds pledged for such payment by this Bond Legislation. No Registered Owner of the Series
8 2020 A Bonds shall ever have the right to compel the exercise of the taxing power of the City to
9 pay the Series 2020 A Bonds or the interest thereon.
10

11 Section 6.02. Bonds Secured by Pledge of Net Revenues; Lien Positions with
12 Respect to Bonds. The payments required by the Series 2020 A Bonds shall be secured by a first
13 lien on the Net Revenues derived from the System on a parity with the lien of such Net Revenues
14 in favor of the Holders of the First Lien Bonds and senior to the lien of the Second Lien Bonds.
15 Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and
16 other payments for the Series 2020 A Bonds and the Prior Bonds and to make all other payments
17 provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they
18 become due.
19

20 Section 6.03. Initial Schedule of Rates and Charges. The City has obtained any
21 and all approvals of rates and charges required by State law and has taken any other action
22 required to establish and impose such rates and charges, with all requisite appeal periods having
23 expired without successful appeal and shall provide an opinion of counsel to the City of such
24 effect. Such rates and charges shall be sufficient to comply with the requirements of the Bond
25 Purchase Agreement and the City shall supply a certificate of certified public accountant to such
26 effect. The initial schedule of rates and charges for the services and facilities of the System shall
27 be as set forth in the sewer rate ordinance of the City duly enacted on November 16, 2015, which
28 rates are incorporated herein by reference as a part hereof.
29

30 So long as the Series 2020 A Bonds are outstanding, the City covenants and
31 agrees to fix and collect rates, fees and other charges for the use of the System and to take all
32 such actions necessary to provide funds sufficient to produce the required sums set forth in the
33 Bond Legislation and in compliance with the Bond Purchase Agreement. In the event the
34 schedule of rates, fees and charges initially established for the System in connection with the
35 Series 2020 A Bonds shall prove to be insufficient to produce the required sums set forth in this
36 Bond Legislation and the Bond Purchase Agreement, the City hereby covenants and agrees that
37 it will, to the extent or in the manner authorized by law, immediately adjust and increase such
38 schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient
39 to produce the required sums set forth in this Bond Legislation and the Bond Purchase
40 Agreement.
41

42 The City shall diligently enforce and collect all fees, rentals or other charges for
43 the services and facilities of the System, and take all steps, actions and proceedings for the
44 enforcement and collection of such fees, rentals or other charges which shall become delinquent
45 to the full extent permitted or authorized by the Act, the rules and regulations of the Public
46 Service Commission of West Virginia and other laws of the State of West Virginia.

1
2 Whenever any fees, rates, rentals or other charges for the services and facilities of
3 the System shall remain unpaid for a period of 20 days after the same shall become due and
4 payable, the property and the owner thereof, as well as the user of the services and facilities,
5 shall be delinquent until such time as all such rates and charges are fully paid. To the extent
6 authorized by the laws of the State and the rules and regulations of the Public Service
7 Commission of West Virginia, rates, rentals and other charges, if not paid when due, shall
8 become a lien on the premises served by the System. The City further covenants and agrees that,
9 it will, to the full extent permitted by law and the rules and regulations promulgated by the
10 Public Service Commission of West Virginia, discontinue and shut off the services of the
11 System, and any services and facilities of the water system, if so owned by the City, to all users
12 of the services of the System delinquent in payment of charges for the services of the System and
13 will not restore such services of either system until all delinquent charges for the services of the
14 System, plus reasonable interest and penalty charges for the restoration of service, have been
15 fully paid and shall take all further actions to enforce collections to the maximum extent
16 permitted by law. If the waterworks facilities are not owned by the City, the City will, to the
17 extent allowed by law, use diligent efforts to enter into a termination agreement with the provider
18 of such water, subject to any required approval of such agreement by the Public Service
19 Commission of West Virginia and all rules, regulations and orders of the Public Service
20 Commission of West Virginia.
21

22 Section 6.04. Sale of the System. So long as the Series 2020 A Bonds and the
23 Prior Bonds are outstanding and except as otherwise required by law or with the written consent
24 of the DEP and the Authority, the System may not be sold, mortgaged, leased or otherwise
25 disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be
26 realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X
27 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System
28 shall, with respect to the Series 2020 A Bonds, immediately be remitted to the Commission for
29 deposit in the Renewal and Replacement Fund, and, with the written permission of the DEP and
30 the Authority, or in the event the Authority is no longer a Bondholder, the City shall direct the
31 Commission to apply such proceeds to the payment of principal of and interest, if any, on the
32 Series 2020 A Bonds. Any balance remaining after the payment of the Series 2020 A Bonds and
33 interest, if any, thereon shall be remitted to the City by the Commission unless necessary for the
34 payment of other obligations of the City payable out of the revenues of the System.
35

36 The foregoing provision notwithstanding, the City shall have and hereby reserves
37 the right to sell, lease or otherwise dispose of any of the property comprising a part of the System
38 hereinafter determined in the manner provided herein to be no longer necessary, useful or
39 profitable in the operation thereof. Prior to any such sale, lease or other disposition of such
40 property, if the amount to be received therefor, together with all other amounts received during
41 the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in
42 excess of \$10,000, the City shall, by resolution duly adopted, determine that such property
43 comprising a part of the System is no longer necessary, useful or profitable in the operation
44 thereof and may then provide for the sale of such property. The proceeds of any such sale shall
45 be deposited in the Renewal and Replacement Fund. If the amount to be received from such
46 sale, lease or other disposition of said property, together with all other amounts received during

1 the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in
2 excess of \$10,000 but not in excess of \$50,000, the City shall first, determine upon consultation
3 with the Consulting Engineers that such property comprising a part of the System is no longer
4 necessary, useful or profitable in the operation thereof and may then, if it be so advised, by
5 resolution duly adopted, authorize such sale, lease or other disposition of such property in
6 accordance with the laws of the State. The proceeds of any such sale shall be deposited in the
7 Renewal and Replacement Fund. The payment of such proceeds into the Renewal and
8 Replacement Fund shall not reduce the amount required to be paid into said fund by other
9 provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the
10 System shall be made by the City if the proceeds to be derived therefrom, together with all other
11 amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such
12 properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding
13 without the prior approval and consent in writing of the Holders of the Bonds then Outstanding.
14 The City shall prepare the form of such approval and consent for execution by the then Holders
15 of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such
16 properties of the System.

17
18 Section 6.05. Issuance of Other Obligations Payable Out of Revenues and
19 General Covenant Against Encumbrances. Except as provided in this Section 6.05 and Section
20 6.06 hereof, the City shall not issue any obligations whatsoever payable from the revenues of the
21 System which rank prior to, or equally, as to lien on and source of and security for payment from
22 such revenues with the Series 2020 A Bonds. All obligations issued by the City after the
23 issuance of the Series 2020 A Bonds and payable from the revenues of the System, except such
24 additional parity Bonds, shall contain an express statement that such obligations are junior and
25 subordinate, as to lien on, pledge and source of and security for payment from such revenues and
26 in all other respects, to the Series 2020 A Bonds; provided, that no such subordinate obligations
27 shall be issued unless all payments required to be made into all funds and accounts set forth
28 herein have been made and are current at the time of the issuance of such subordinate
29 obligations.

30
31 Except as provided above, the City shall not create, or cause or permit to be
32 created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority
33 over or being on a parity with the lien of the Series 2020 A Bonds, and the interest thereon, if
34 any, upon any or all of the income and revenues of the System pledged for payment of the Series
35 2020 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or
36 any part thereof.

37
38 The City shall give the DEP and the Authority prior written notice of its issuance
39 of any other obligations to be used for the System, payable from the revenues of the System or
40 from any grants, or any other obligations related to the Project or the System.

41
42 Section 6.06. Parity Bonds. So long as the Prior Bonds are outstanding, the
43 limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be
44 applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be
45 issued after the issuance of the Series 2020 A Bonds pursuant to this Bond Legislation, without

1 the prior written consent of the Authority and the DEP and without complying with the
2 conditions and requirements herein provided.

3
4 All Parity Bonds issued hereunder shall be on a parity in all respects with the
5 Series 2020 A Bonds.

6
7 No such Parity Bonds shall be issued except for the purpose of financing the costs
8 of the design, acquisition or construction of additions extensions, improvements or betterments
9 to the System or refunding any outstanding Bonds, or both such purposes.

10
11 No Parity Bonds shall be issued at any time, unless there has been procured and
12 filed with the City Clerk a written statement by the Independent Certified Public Accountants,
13 reciting the conclusion that the Net Revenues actually derived, subject to the adjustments
14 hereinafter provided for, from the System during any 12 consecutive months, within the 18
15 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the
16 estimated average increased annual Net Revenues expected to be received in each of the 3
17 succeeding years after the completion of the improvements to be financed by such Parity Bonds,
18 if any, shall not be less than 115% of the largest aggregate amount that will mature and become
19 due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

20
21 (1) The Bonds then Outstanding;

22
23 (2) Any Parity Bonds theretofore issued pursuant to the provisions contained
24 in this Ordinance then Outstanding; and

25
26 (3) The Parity Bonds then proposed to be issued.

27
28 The “estimated average increased annual Net Revenues expected to be received in
29 each of the 3 succeeding years,” as that term is used in the computation provided in the above
30 paragraph, shall refer only to the increased Net Revenues estimated to be derived from the
31 improvements to be financed by such Parity Bonds and any increase in rates adopted by the City,
32 the time for appeal of which shall have expired prior to the issuance of such Parity Bonds, and
33 shall not exceed the amount to be stated in a certificate of the Independent Certified Public
34 Accountants, which shall be filed in the office of the City Clerk prior to the issuance of such
35 Parity Bonds.

36
37 The Net Revenues actually derived from the System during the 12-consecutive-
38 month period herein above referred to may be adjusted by adding to such Net Revenues such
39 additional Net Revenues which would have been received, in the opinion of the Independent
40 Certified Public Accountants, on account of increased rates, rentals, fees and charges for the
41 System adopted by the City, the time for appeal of which shall have expired prior to issuance of
42 such Parity Bonds.

43
44 All covenants and other provisions of this Bond Legislation (except as to details
45 of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security
46 of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time

1 to time within the limitations of and in compliance with this section. All Bonds, regardless of
2 the time or times of their issuance, shall rank equally with respect to their lien on the revenues of
3 the System and their source of and security for payment from said revenues, without preference
4 of any Bond over any other. The City shall comply fully with all the increased payments into the
5 various funds and accounts created in this Bond Legislation required for and on account of such
6 Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this
7 Bond Legislation.
8

9 Parity Bonds shall not be deemed to include bonds, notes, certificates or other
10 obligations subsequently issued, the lien of which on the revenues of the System is subject to the
11 prior and superior liens of the Series 2020 A Bonds on such revenues. The City shall not issue
12 any obligations whatsoever payable from revenues of the System, or any part thereof, which rank
13 prior to or, except in the manner and under the conditions provided in this section, equally, as to
14 lien on and source of and security for payment from such revenues, with the Series 2020 A
15 Bonds.
16

17 No Parity Bonds shall be issued at any time, however, unless all of the payments
18 into the respective funds and accounts provided for in this Bond Legislation with respect to the
19 Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall
20 have been made in full as required to the date of delivery of the Parity Bonds, and the City then
21 be in full compliance with all the covenants, agreements and terms of this Bond Legislation.
22

23 Section 6.07. Books; Records and Audit. The City shall keep complete and
24 accurate records of the cost of the Project. The City shall permit the DEP and the Authority, or
25 their agents and representatives, to inspect all books, documents, papers and records relating to
26 the Project and the System at all reasonable times for the purpose of audit and examination. The
27 City shall submit to the DEP and the Authority such documents and information as they may
28 reasonably require in connection with the Project, the operation and maintenance of the System
29 and the administration of the loan or any grants or other sources of financing for the Project.
30

31 The City shall permit the DEP and the Authority, or their agents and
32 representatives, to inspect all records pertaining to the operation and maintenance of the System
33 at all reasonable times following completion of the Project, or, at any reasonable time following
34 commencement of the Project.
35

36 The City will keep books and records of the System, which shall be separate and
37 apart from all other books, records and accounts of the City, in which complete and correct
38 entries shall be made of all transactions relating to the System, and any Holder of a Bond or
39 Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to
40 inspect the System and all parts thereof and all records, accounts and data of the City relating
41 thereto.
42

43 The accounting system for the System shall follow current generally accepted
44 accounting principles and safeguards to the extent allowed and as prescribed by the Public
45 Service Commission of West Virginia. Separate control accounting records shall be maintained
46 by the City. Subsidiary records as may be required shall be kept in the manner and on the forms,

1 books and other bookkeeping records as prescribed by the Governing Body. The Governing
2 Body shall prescribe and institute the manner by which subsidiary records of the accounting
3 system which may be installed remote from the direct supervision of the Governing Body shall
4 be reported to such agent of the City as the Governing Body shall direct.
5

6 The City shall file with the DEP, the Authority, or any other original purchaser of
7 the Series 2020 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2020
8 A Bonds, requesting the same, an annual report containing the following:
9

10 (A) A statement of Gross Revenues, Operating Expenses, Net Revenues and
11 Surplus Revenues derived from and relating to the System.
12

13 (B) A balance sheet statement showing all deposits in all the funds and
14 accounts provided for in this Bond Legislation, and the status of all said funds and accounts.
15

16 (C) The amount of any Bonds, notes or other obligations outstanding.
17

18 The City shall also, at least once a year, cause the books, records and accounts of
19 the System to be audited by Independent Certified Public Accountants (and to the extent legally
20 required, in compliance with 2 CFR 200 Subpart F, or any successor thereto), and shall mail
21 upon request, and make available generally, the report of the Independent Certified Public
22 Accountants, or a summary thereof, to any Holder or Holders of the Series 2020 A Bonds, and
23 shall submit said report to the DEP and the Authority, or any other original purchaser of the
24 Series 2020 A Bonds. Such audit report submitted to the DEP and the Authority shall include a
25 statement that the City is in compliance with the terms and provisions of the Act, the Bond
26 Purchase Agreement and this Bond Legislation and that the revenues of the System are adequate
27 to meet the City's Operating Expenses and debt service and reserve requirements.
28

29 The City shall permit the DEP and the Authority, or their agents and
30 representatives, to enter and inspect the System at all reasonable times. Prior to, during and after
31 completion of the Project, the City shall also provide the DEP and the Authority, or their agents
32 and representatives, with access to the System site and System facilities as may be reasonably
33 necessary to accomplish all of the powers and rights of the DEP and the Authority with respect
34 to the System pursuant to the Act.
35

36 The City shall provide the DEP with all appropriate documentation to comply
37 with any special conditions established by federal and/or state regulations as set forth in
38 EXHIBIT E of the Bond Purchase Agreement for the Series 2020 A Bonds or as promulgated
39 from time to time.
40

41 Section 6.08. Coverage Requirement. Prior to the issuance of the Series 2020 A
42 Bonds, equitable rates or charges for the use of and service rendered by the System shall be
43 established all in the manner and form required by law, and copies of such rates and charges so
44 established will be continuously on file with the City Clerk, which copies will be open to
45 inspection by all interested parties. The schedule of rates and charges shall at all times be
46 adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and

1 to make the prescribed payments into the funds created hereunder. Such schedule of rates and
2 charges shall be changed and readjusted whenever necessary so that the aggregate of the rates
3 and charges will be sufficient for such purposes. In order to assure full and continuous
4 performance of this covenant, with a margin for contingencies and temporary unanticipated
5 reduction in income and revenues, the City hereby covenants and agrees that the schedule of
6 rates or charges from time to time in effect shall be sufficient, together with other revenues of the
7 System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each
8 year equal to at least 115% of the maximum amount required in any year for payment of
9 principal of and interest, if any, on the Series 2020 A Bonds and all other obligations secured by
10 a lien on or payable from such revenues on a parity with or junior to the Series 2020 A Bonds,
11 including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the
12 reserve requirements are on deposit respectively in the Series 2020 A Bonds Reserve Account
13 and the reserve accounts for obligations on a parity with or junior to the Series 2020 A Bonds,
14 including the Prior Bonds, are funded at least at the requirement therefor, such balance each year
15 need only equal at least 110% of the maximum amount required in any year for payment of
16 principal of and interest, if any, on the Series 2020 A Bonds and all other obligations secured by
17 a lien on or payable from such revenues on a parity with or junior to the Series 2020 A Bonds,
18 including the Prior Bonds. In any event, the City shall not reduce the rates or charges for
19 services described in Section 6.03.
20

21 Section 6.09. Operating Budget and Monthly Financial Report. The City shall
22 annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by
23 resolution a detailed, balanced budget of the estimated revenues and expenditures for operation
24 and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of
25 such budget to the DEP and the Authority within 30 days of adoption thereof. No expenditures
26 for the operation and maintenance of the System shall be made in any Fiscal Year in excess of
27 the amounts provided therefor in such budget without a written finding and recommendation by a
28 professional engineer, which finding and recommendation shall state in detail the purpose of and
29 necessity for such increased expenditures for the operation and maintenance of the System, and
30 no such increased expenditures shall be made until the City shall have approved such finding and
31 recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of
32 the amount of such budget shall be made except upon the further certificate of a professional
33 engineer that such increased expenditures are necessary for the continued operation of the
34 System. The City shall mail copies of such annual budget and all resolutions authorizing
35 increased expenditures for operation and maintenance to the DEP and the Authority and to any
36 Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets
37 and all resolutions authorizing increased expenditures for operation and maintenance of the
38 System at all reasonable times to the DEP and the Authority and to any Holder of any Bonds, or
39 anyone acting for and on behalf of such Holder of any Bonds.
40

41 Commencing on the date the Contract is executed for the Project and for two
42 years following the completion of the Project, the City shall each month complete a “Monthly
43 Financial Report,” a form of which is attached to the respective Bond Purchase Agreements, and
44 forward a copy of such report to the DEP and the Authority by the 10th day of each month.
45

1 Section 6.10. Engineering Services and Operating Personnel. The City will
2 obtain a certificate of the Consulting Engineers in the form attached to the Bond Purchase
3 Agreement, stating, among other things, that the funding plan as submitted to the DEP and the
4 Authority is sufficient to pay the costs of the Project, and all permits required by federal and state
5 laws for construction of the Project have been obtained.
6

7 The City shall employ qualified operating personnel properly certified by the
8 State to operate the System during the entire term of the Bond Purchase Agreement.
9

10 Section 6.11. No Competing Franchise. To the extent legally allowable, the City
11 will not grant or cause, consent to or allow the granting of, any franchise or permit to any person,
12 firm, corporation, body, agency or instrumentality whatsoever for the providing of any services
13 which would compete with services provided by the System.
14

15 Section 6.12. Enforcement of Collections. The City will diligently enforce and
16 collect all fees, rentals or other charges for the services and facilities of the System, and take all
17 steps, actions and proceedings for the enforcement and collection of such fees, rentals or other
18 charges which shall become delinquent to the full extent permitted or authorized by the Act, the
19 rules and regulations of the Public Service Commission of West Virginia and other laws of the
20 State of West Virginia.
21

22 Whenever any fees, rates, rentals or other charges for the services and facilities of
23 the System shall remain unpaid for a period of 20 days after the same shall become due and
24 payable, the user of the services and facilities shall be delinquent until such time as all such rates
25 and charges are fully paid. To the extent authorized by the laws of the State and the rules and
26 regulations of the Public Service Commission of West Virginia, rates, rentals and other charges,
27 if not paid, when due, shall become a lien on the premises served by the System. The City
28 further covenants and agrees that, it will, to the full extent permitted by law and the rules and
29 regulations promulgated by the Public Service Commission of West Virginia, discontinue and
30 shut off the services of the System to all users of the services of the System delinquent in
31 payment of charges for the services of the System and will not restore such services of any
32 system until all delinquent charges for the services of the System, plus reasonable interest and
33 penalty charges for the restoration of service, have been fully paid and shall take all further
34 actions to enforce collections to the maximum extent permitted by law. If the water or sewer
35 facilities are not owned by the City, the City shall enter into a termination agreement with the
36 water and sewer providers, subject to any required approval of such agreement by the Public
37 Service Commission of West Virginia and all rules, regulations and orders of the Public Service
38 Commission of West Virginia.
39

40 Section 6.13. No Free Services. Except as required by law, the City will not
41 render or cause to be rendered any free services of any nature by the System, nor will any
42 preferential rates be established for users of the same class; and in the event the City, or any
43 department, agency, instrumentality, officer or employee of the City shall avail itself or
44 themselves of the facilities or services provided by the System, or any part thereof, the same
45 rates, fees or charges applicable to other customers receiving like services under similar
46 circumstances shall be charged the City and any such department, agency, instrumentality,

1 officer or employee. The revenues so received shall be deemed to be revenues derived from the
2 operation of the System, and shall be deposited and accounted for in the same manner as other
3 revenues derived from such operation of the System.
4

5 Section 6.14. Insurance. The City hereby covenants and agrees that so long as
6 the Bonds remain Outstanding, the City will, as an Operating Expense, procure, carry and
7 maintain insurance with a reputable insurance carrier or carriers as is customarily covered with
8 respect to works and properties similar to the System. Such insurance shall initially cover the
9 following risks and be in the following amounts:
10

11 (1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND
12 EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the
13 System in an amount equal to the actual cost thereof. In time of war the City will also
14 carry and maintain insurance to the extent available against the risks and hazards of war.
15 The proceeds of all such insurance policies shall be placed in the Renewal and
16 Replacement Fund and used only for the repairs and restoration of the damaged or
17 destroyed properties or for the other purposes provided herein for the Renewal and
18 Replacement Fund.
19

20 (2) PUBLIC LIABILITY INSURANCE, with limits of not less than
21 \$1,000,000 per occurrence to protect the City from claims for bodily injury and/or death and not
22 less than \$500,000 per occurrence from claims for damage to property of others which may arise
23 from the operation of the System, and insurance with the same limits to protect the City from
24 claims arising out of operation or ownership of motor vehicles of or for the System.
25

26 (3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES
27 OF OR FOR THE SYSTEM ELIGIBLE THEREFOR.
28

29 (4) FLOOD INSURANCE, if the facilities of the System are or will be
30 located in designated special flood or mudslide-prone areas and to the extent available at
31 reasonable cost to the City.
32

33 (5) BUSINESS INTERRUPTION INSURANCE, to the extent available at
34 reasonable cost to the City.
35

36 (6) FIDELITY BONDS will be provided as to every officer, member and
37 employee of the City or the Governing Body having custody of the revenues or of any other
38 funds of the System, in an amount at least equal to the total funds in the custody of any such
39 person at any one time.
40

41 The City shall require all contractors engaged in the construction of the Project to
42 furnish a performance bond and a payment bond, each in an amount equal to 100% of the
43 contract price of the portion of the Project covered by the particular contract as security for the
44 faithful performance of such contract. The City shall verify such bonds prior to commencement
45 of construction.
46

1 Section 6.15. Mandatory Connections. The mandatory use of the sewerage
2 facilities portion of the System is essential and necessary for the protection and preservation of
3 the public health, comfort, safety, convenience and welfare of the inhabitants and residents of,
4 and the economy of, the City and in order to assure the rendering harmless of sewage and
5 water-borne waste matter produced or arising within the territory served by the System.
6 Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the
7 System, where sewage will flow by gravity or be transported by such other methods approved by
8 the State Department of Health from such house, dwelling or building into the System, to the
9 extent permitted by the laws of the State and the rules and regulations of the PSC, shall connect
10 with and use the System and shall cease the use of all other means for the collection, treatment
11 and disposal of sewage and waste matters from such house, dwelling or building where there is
12 such gravity flow or transportation by such other method approved by the State Department of
13 Health and such house, dwelling or building can be adequately served by the System, and every
14 such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay
15 the rates and charges established therefor.

16
17 Any such house, dwelling or building from which emanates sewage or
18 water-borne waste matter and which is not so connected with the System is hereby declared and
19 found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the City and a
20 public nuisance which shall be abated to the extent permitted by law and as promptly as possible
21 by proceedings in a court of competent jurisdiction.

22
23 Section 6.16. Completion and Operation of Project; Permits and Orders. The
24 City will complete the Project as promptly as possible and operate and maintain the System as a
25 revenue-producing utility in good condition and in compliance with all federal and state
26 requirements and standards. The City shall take all steps to properly operate and maintain the
27 System and make the necessary replacements due to normal wear and tear so long as the Series
28 2020 A Bonds are outstanding.

29
30 The City has obtained all permits required by State and federal laws for the
31 acquisition and construction of the Project and all orders and approvals required by State law and
32 the Council necessary for acquisition and construction of the Project, the operation of the System
33 and all approvals for issuance of the Series 2020 A Bonds required by State law, with all
34 requisite appeal periods having expired without successful appeal and the City shall provide an
35 opinion of counsel to such effect.

36
37 The City shall perform an annual maintenance audit which maintenance audit
38 shall be submitted to the Authority and the Public Service Commission of West Virginia.

39
40 Section 6.17. Statutory Mortgage Lien. For the further protection of the Holders
41 of the Series 2020 A Bonds, a statutory mortgage lien upon the System is granted and created by
42 the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding,
43 shall take effect immediately upon delivery of the Series 2020 A Bonds and shall be on a parity
44 with the First Lien Bonds and senior to the lien of the Second Lien Bonds.

1 Section 6.18. Compliance With Bond Purchase Agreement and Law. The City
2 hereby covenants and agrees to perform, satisfy and comply with all terms, conditions and
3 requirements of the Bond Purchase Agreement and all applicable laws, rules and regulations
4 issued by the Authority, or other State, federal or local bodies in regard to the construction of the
5 Project and operation, maintenance and use of the System.
6

7 Section 6.19. Tax Covenants. The City hereby further covenants and agrees as
8 follows:
9

10 A. PUBLIC PURPOSE BONDS. The City shall use the Series 2020 A Bond
11 proceeds solely for the Project and as otherwise set forth herein, and the Project will be operated
12 solely as a public purpose and as local governmental activity of the City.
13

14 B. PRIVATE ACTIVITY BOND COVENANT. The City shall not permit at
15 any time or times any of the proceeds of the Series 2020 A Bonds or any other funds of the City
16 to be used directly or indirectly in a manner which would result in the exclusion of the Bonds
17 from the treatment afforded by Section 103(a) of the Code by reason of the classification of the
18 Bonds as “private activity bonds” within the meaning of the Code. The City will take all actions
19 necessary to comply with the Code in order to assure the tax-exempt status of the Series 2020 A
20 Bonds.
21

22 C. PRIVATE BUSINESS USE LIMITATION. The City shall assure that (i)
23 not in excess of 10% of the Net Proceeds of the Series 2020 A Bonds are used for Private
24 Business Use if, in addition, the payment of more than 10% of the principal or 10% of the
25 interest due on such Series 2020 A Bonds during the term thereof is, under the terms of such
26 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property
27 used or to be used for a Private Business Use or in payments in respect of property used or to be
28 used for a Private Business Use or is to be derived from payments, whether or not to the City, in
29 respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in
30 the event that both (A) in excess of 5% of the Net Proceeds of the Series 2020 A Bonds are used
31 for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the
32 interest due on the Series 2020 A Bonds during the terms thereof is, under the terms of such
33 Series 2020 A Bonds or any underlying arrangement, directly or indirectly, secured by any
34 interest in property used or to be used for said Private Business Use or in payments in respect of
35 property used or to be used for said Private Business Use or is to be derived from payments,
36 whether or not to the Issuer, in respect of property or borrowed money used or to be used for said
37 Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2020 A Bonds
38 used for a Private Business Use shall be used for a Private Business Use related to the
39 governmental use of the System, or if the Series 2020 A Bonds are for the purpose of financing
40 more than one project, a portion of the System, and shall not exceed the proceeds used for the
41 governmental use of that portion of the System to which such Private Business Use is related. All
42 of the foregoing shall be determined as provided for in the Code.
43

44 D. PRIVATE LOAN LIMITATION. The City shall assure that not in excess
45 of the lesser of 5% of the Net Proceeds of the Series 2020 A Bonds or \$5,000,000 is used,

1 directly or indirectly, to make or finance a loan (other than loan constituting Nonpurpose
2 Investments) to persons other than state or local government units.
3

4 E. FEDERAL GUARANTEE PROHIBITION. The City shall not take any
5 action or permit or suffer any action to be taken if the result of the same would be to cause the
6 Series 2020 A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the
7 Code.
8

9 F. INFORMATION RETURN. The City shall file all statements,
10 instruments and returns necessary to assure the tax-exempt status of the Series 2020 A Bonds,
11 and the interest thereon, including, without limitation, the information return required under
12 Section 149(e) of the Code.
13

14 G. FURTHER ACTIONS. The City shall take any and all actions that may
15 be required of it (including those deemed necessary by the Authority) so that the interest on the
16 Series 2020 A Bonds will be and remain excludable from gross income for federal income tax
17 purposes, and will not take any actions, or fail to take any actions (including those deemed
18 necessary by the Authority) which would adversely affect such exclusion.
19

20 Section 6.20. Rebate Covenant. The City is a governmental unit with general
21 taxing powers to finance operations of or facilities of the nature of the Project and the System.
22 As covenanted above, the Series 2016 A Bonds are not private activity bonds within the meaning
23 of the Code, and ninety-five percent (95%) or more of the net proceeds (as defined in the Code)
24 of the Series 2016 A Bonds will be used for local governmental activities of the City (or of a
25 governmental unit the jurisdiction of which is entirely within the jurisdiction of the City). The
26 City reasonably expects to expend the proceeds of the Series 2016 A Bonds within the time
27 period that would provide an exception from the rebate requirements of Section 148(f) of the
28 Code. Notwithstanding the foregoing, if the City is in fact subject to such rebate requirements,
29 the City hereby covenants to rebate to the United States the amounts required by the Code and to
30 take all steps necessary to make such rebates. In the event the City fails to make such rebates as
31 required, the City shall pay any and all penalties and obtain a waiver from the Internal Revenue
32 Service in order to maintain the tax-exempt status of interest on the Series 2016 A Bonds.
33

34 Section 6.21. Arbitrage. The City covenants that (i) it will restrict the use of the
35 proceeds of the Series 2016 A Bonds in such manner and to such extent as may be necessary, so
36 that such Series 2016 A Bonds will not constitute “arbitrage bonds” under Section 148 of the
37 Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required
38 of it (including, without implied limitation, the timely filing of a Federal information return with
39 respect to such Bonds) so that the interest on the Series 2016 A Bonds will be and remain
40 excluded from gross income for Federal income tax purposes, and will not take any actions
41 which would adversely affect such exclusion.
42

43 Section 6.22. Tax Certificate and Rebate. The City shall deliver a certificate of
44 arbitrage, a tax certificate or other similar certificate (the “Tax Certificate”) to be prepared by
45 nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and
46 other tax matters as a condition to issuance of any series of Series 2016 A Bonds. In addition,

1 the City covenants to comply with all Regulations from time to time in effect and applicable to
2 the Series 2016 A Bonds as may be necessary in order to fully comply with Section 148(f) of the
3 Code, and covenants to take such actions, and refrain from taking such actions, as may be
4 necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless
5 of whether such actions may be contrary to any of the provisions of this Ordinance.
6

7 The City shall calculate, annually, the rebatable arbitrage, determined in
8 accordance with Section 148(f) of the Code. Upon completion of each such annual calculation,
9 the City or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are
10 necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum
11 determined to be subject to rebate to the United States, which, notwithstanding anything herein
12 to the contrary, shall be paid from investment earnings on the underlying fund or account
13 established hereunder and on which such rebatable arbitrage was earned or from other lawfully
14 available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be
15 held free and clear of any lien or pledge hereunder and used only for payment of rebatable
16 arbitrage to the United States. The City shall pay, or cause to be paid, to the United States, from
17 the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such
18 Regulations. In the event that there are any amounts remaining in the Rebate Fund following all
19 such payments required by the preceding sentence, the Depository Bank shall pay said amounts
20 to the City to be used for any lawful purpose of the System. The City shall remit payments to the
21 United States in the time and at the address prescribed by the Regulations as the same may be in
22 time to time in effect with such reports and statements as may be prescribed by such Regulations.
23 In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the
24 payments to the United States which are required, the City shall assure that such payments are
25 made by the City to the United States, on a timely basis, from any funds lawfully available
26 therefor. The City at its expense, may provide for the employment of independent attorneys,
27 accountants or consultants compensated on such reasonable basis as the City may deem
28 appropriate in order to assure compliance with this Section 6.11. The City shall keep and retain,
29 or cause to be kept and retained, records of the determinations made pursuant to this Section 6.11
30 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the
31 event the City fails to make such rebates as required, the City shall pay any and all penalties and
32 other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue
33 Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross
34 income for federal income tax purposes.
35

36 The Depository Bank shall keep complete and accurate records of all funds,
37 accounts and investments, and shall distribute to the City, at least once each year (or more often
38 if reasonably requested by the City), a summary of such funds, accounts and investment
39 earnings. The City shall retain all such records and any additional records with respect to such
40 funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long
41 thereafter as necessary to comply with the Code and assure the exclusion of interest on the Bonds
42 from gross income for federal income tax purposes.
43

44 The City shall submit to the Authority, if it is the Original Purchaser, within 15
45 days following the end of each Bond Year a certified copy of its rebate calculation and certificate
46 with respect thereto or, if the City qualifies for the small governmental issue exception to rebate

1 or any other exception therefrom, then the City shall submit to the Authority a certificate stating
2 that it is exempt from such rebate provisions and that no event has occurred to its knowledge
3 during the Bond Year which would make the Bonds subject to rebate. The City shall also furnish
4 to the Authority, at any time, such additional information relating to rebate as may be reasonably
5 requested by the Authority, including information with respect to earnings on all funds
6 constituting “gross proceeds” of the Bonds (as such term “gross proceeds” is defined in the
7 Code).

8
9 Section 6.23. Securities Laws Compliance. If required by the Supplemental
10 Resolution the City will provide the Original Purchaser, in a timely manner, with any and all
11 information that may be requested of it (including its annual audit report, financial statements,
12 related information and notices of changes in usage and customer base) so that the Original
13 Purchaser may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240). The City
14 will also deliver a continuing disclosure agreement or certificate in form acceptable to the
15 Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as amended from
16 time to time.

17
18 Section 6.24. Defeasance of Bonds. If the City shall pay or cause to be paid, or
19 there shall otherwise be paid, to the Registered Owners of the Series 2020 A Bonds, the principal
20 thereof, and redemption premium, if applicable, and interest due or to become due thereon, at the
21 times and in the manner stipulated therein and in this Ordinance, then the pledge of Net
22 Revenues and any other moneys and securities pledged under this Ordinance and all covenants,
23 agreements and other obligations of the City to the Registered Owners shall thereupon cease,
24 terminate and become void and be discharged and satisfied, except as may otherwise be
25 necessary to assure the exclusion of interest on the Series 2020 A Bonds from gross income for
26 federal income tax purposes.

27
28 Bonds for the payment of which either moneys in an amount which shall be
29 sufficient, or securities the principal of and the interest on which, when due, will provide moneys
30 which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier
31 time, shall be sufficient, to pay as and when due the respective principal of and interest on such
32 Series 2020 A Bonds shall be deemed to have been paid within the meaning and with the effect
33 expressed in the first paragraph of this section. All Series 2020 A Bonds shall, prior to the
34 maturity thereof, be deemed to have been paid within the meaning and with the effect expressed
35 in the first paragraph of this section if there shall have been deposited with the Commission or an
36 escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of
37 and the interest on which, when due, will provide moneys which, together with the moneys, if
38 any, deposited with the Commission or said escrow trustee at the same or earlier time shall be
39 sufficient, to pay when due the principal of, any redemption premium on and interest due and to
40 become due on said Series 2020 A Bonds on and prior to the maturity date thereof, or if the City
41 irrevocably determines to redeem any of said Series 2020 A Bonds prior to the maturity thereof,
42 on and prior to said redemption date. Neither securities nor moneys deposited with the
43 Commission or an escrow trustee pursuant to this section nor principal or interest payments on
44 any such securities shall be withdrawn or used for any purpose other than, and shall be held in
45 trust for, the payment of the principal of and interest on said Series 2020 A Bonds; provided, that
46 any cash received from such principal, redemption premium, if any, and interest payments on

1 such securities deposited with the Commission or said escrow trustee, if not then needed for such
2 purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in
3 amounts sufficient to pay when due the principal of and redemption premium, if any, and interest
4 to become due on said Series 2020 A Bonds on and prior to such maturity or redemption dates
5 thereof, and interest earned from such reinvestments shall be paid over to the City as received by
6 the Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the
7 purpose of this section, securities means and include only Government Obligations or such
8 additional securities as shall be set forth in the Supplemental Resolution.
9

10 Section 6.25. Contracts. The City shall, simultaneously with the delivery of the
11 Series 2020 A Bonds or immediately thereafter, enter into written contracts for the immediate
12 acquisition or construction of the Project.
13

14 Section 6.26. Continuing Disclosure Agreement. If required by the
15 Supplemental Resolution, the City shall deliver a continuing disclosure agreement or certificate
16 in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule
17 15c2-12, as it may be amended from time to time, and the City hereby instructs the Mayor and
18 Sanitary Board to take all actions necessary for the City to comply with the continuing disclosure
19 agreement and to make the filings with EMMA.
20

21 Section 6.27. Contracts; Change Orders, Public Releases.
22

23 A. The City shall, simultaneously with the delivery of the Series 2020 A
24 Bonds or immediately thereafter, enter into contracts with the Consulting Engineer for the
25 immediate acquisition and construction of the Project.
26

27 B. The City shall list the funding provided by the DEP and the Authority in
28 any press release, publication, program bulletin, sign or other public communication that
29 references the Project, including but not limited to any program document distributed in
30 conjunction with any ground breaking or dedication of the Project.
31

32 ARTICLE VII
33 REGISTRAR
34

35 Section 7.01. Appointment of Registrar. The Registrar for the Series 2020 A
36 Bonds shall be appointed pursuant to the Supplemental Resolution. The City is hereby
37 authorized and directed to enter into an agreement with the Registrar, the substantial form of
38 which agreement is to be approved by Supplemental Resolution.
39

1 Section 7.02. Responsibilities of Registrar. The recitals of fact in the Series
2 2020 A Bonds shall be taken as statements of the City, and the Registrar shall not be responsible
3 for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall
4 not incur any liability on account of, the validity of the execution of any Series 2020 A Bonds by
5 the City. Notwithstanding the foregoing, the Registrar shall be responsible for any
6 representation in its Certificate of Authentication and Registration on the Bonds. The Registrar
7 and any successor thereto shall agree to perform all the duties and responsibilities spelled out in
8 this Ordinance and any other duties and responsibilities incident thereto, all as provided by said
9 agreement described above.

10
11 Section 7.03. Evidence on Which Registrar May Act. Except as otherwise
12 provided herein, the Registrar shall be protected in acting upon any notice, resolution, request,
13 consent, order, certificate, opinion or other document believed by it to be genuine and to have
14 been signed or presented by the proper party or parties. Whenever the Registrar shall deem it
15 necessary or desirable that a fact or matter be proved or established prior to taking or suffering
16 any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed
17 to be conclusively proved and established by a certificate of an Authorized Officer of the City,
18 but in its discretion the Registrar may instead accept other evidence of such fact or matter.

19
20 Section 7.04. Compensation and Expenses. The City shall pay to the Registrar
21 from time to time reasonable compensation for all services, including the transfer of registration
22 of Series 2020 A Bonds, the first exchange of Bonds and the exchange of Bonds in the event of
23 partial redemption, incurred in the performance of its duties hereunder.

24
25 Section 7.05. Certain Permitted Acts. The Registrar may become the owner of
26 or may deal in Series 2020 A Bonds as fully and with the same rights it would have if it were not
27 Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit
28 any of its officers or directors to act as a member of, or in any other capacity with respect to, any
29 committee formed to protect the rights of the Registered Owners or effect or aid in any
30 reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not
31 any such committee shall represent the Registered Owners of a majority in principal amount of
32 the Bonds Outstanding.

33
34 Section 7.06. Resignation of Registrar. The Registrar may at any time resign
35 and be discharged of its duties and obligations under this Ordinance by giving not less than
36 60 days' written notice to the City. A copy of such notice shall also be mailed to each Registered
37 Owner. Such resignation shall take effect upon the day specified in such notice unless a
38 successor shall have been previously appointed by the City or the Registered Owners, in which
39 event such resignation shall take effect immediately; provided that, in no event shall such
40 resignation take effect until a successor has been appointed and has accepted its duties as
41 Registrar.

42
43 Section 7.07. Removal. The Registrar may be removed at any time by the City,
44 the Bond Insurer or the Registered Owners of a majority in principal amount of the Series 2020
45 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly
46 acknowledged by the City, by the Bond Insurer or by such Registered Owners or their attorneys

1 duly authorized in writing and delivered to the City, the Bond Insurer or the Registered Owners,
2 as the case may be. Copies of each such instrument shall be delivered by the City to the
3 Registrar. Such removal shall take effect upon the date stated in such instrument; provided that,
4 in no event shall such removal take effect until a successor has been appointed and has accepted
5 its duties as Registrar.
6

7 Section 7.08. Appointment of Successor. In case at any time the Registrar shall
8 resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or
9 insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be
10 appointed, or if any public officer or court shall take charge or control of the Registrar or of its
11 property or affairs, a successor may be appointed by the Registered Owners of a majority in
12 principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in
13 writing signed by such Registered Owners or their attorneys duly authorized in writing and
14 delivered to the City and such successor Registrar, notification thereof being given to the
15 predecessor Registrar. Pending such appointment, the City shall forthwith appoint a Registrar to
16 fill such vacancy until a successor Registrar shall be appointed by such Registered Owners. A
17 copy of such notice shall also be mailed to each Registered Owner of the Bonds. Any successor
18 Registrar appointed by the City shall, immediately and without further act, be superseded by a
19 Registrar appointed by such Registered Owners. If in a proper case no appointment of a
20 successor Registrar shall be made within 45 days after the Registrar shall have given to the City
21 written notice of resignation or after the occurrence of any other event requiring such
22 appointment, the Registrar or any Registered Owner may apply to any court of competent
23 jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section
24 shall be a bank, trust company or national banking association authorized to perform the duties
25 imposed upon it by this Ordinance.
26

27 Section 7.09. Transfer of Rights and Property to Successor. Any predecessor
28 Registrar shall pay over, assign and deliver any moneys, books and records held by it to its
29 successor.
30

31 Section 7.10. Merger or Consolidation. Any company into which the Registrar
32 may be merged or converted or with which it may be consolidated or any company resulting
33 from any merger, conversion or consolidation to which it shall be a party, or any company to
34 which the Registrar or any public officer or court may sell or transfer all or substantially all of its
35 corporate trust business, shall be the successor to such Registrar without the execution or filing
36 of any paper or the performance of any further act; provided, however, that such company shall
37 be a bank, trust company or national banking association meeting the requirements set forth in
38 Section 7.08 hereof.
39

40 Section 7.11. Adoption of Authentication. In case any of the Bonds shall have
41 been authenticated but not delivered, any successor Registrar may adopt a Certificate of
42 Authentication and Registration executed by any predecessor Registrar and deliver such Bonds
43 so authenticated, and, in case any Series 2020 A Bonds shall have been prepared but not
44 authenticated, any successor Registrar may authenticate such Series 2020 A Bonds in the name
45 of the predecessor Registrar or in its own name.
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ARTICLE VIII
MISCELLANEOUS

Section 8.01. Modification or Amendment. Prior to the issuance of the Series 2020 A Bonds, this Ordinance may be amended or supplemented in any way by a Supplemental Resolution. All provisions required by the Original Purchaser or 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, no material modification or amendment of this Ordinance or of any ordinance or resolution amendatory hereof or supplemental hereto which would materially and adversely affect the rights of Registered Owners shall be made without the consent in writing of the Registered Owners of the Series 2020 A Bonds then Outstanding and to be affected by said modification; provided, however, that no change shall be made in the maturity of any Series 2020 A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the City to pay such principal and interest out of the Net Revenues of the System without the consent of the Registered Owner thereof. Notwithstanding the foregoing, this Ordinance may be amended without the consent of any Registered Owner as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Bonds from gross income of the Registered Owners thereof.

Section 8.02. 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, the Supplemental Resolution or the Series 2020 A Bonds.

Section 8.03. Repeal of Conflicting Ordinances. All ordinances, resolutions and orders, or parts thereof, other than the Prior Ordinances, in conflict with this Ordinance are, to the extent of such conflict, repealed.

Section 8.04. Covenant of Due Procedure. The City covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment and passage of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of Council and the Sanitary Board were at all times when any actions in connection with this Ordinance occurred, and are, duly in office and duly qualified for such office.

Section 8.05. Statutory Notice and Public Hearing. Upon adoption hereof, the abstract of this Ordinance in the form set forth in Exhibit B attached hereto and incorporated herein by reference, shall be published once a week for two successive weeks, with at least 6 full days intervening between each publication, in the Charleston Gazette-Mail, a qualified newspaper published and of general circulation in The City of Charleston, together with a notice stating that this Ordinance has been adopted and that the City contemplates the issuance of the Bonds, and that any person interested may appear before the Council upon a certain date, not less

1 than 10 days subsequent to the date of the first publication of such abstract of this Ordinance and
2 notice, and present protests, and that a certified copy of this Ordinance is on file with the City for
3 review by interested persons during office hours of the City. The Council hereby determines that
4 the abstract contains sufficient information as to give notice of the contents hereof. At such
5 hearing, all objections and suggestions shall be heard and the Council shall take such action as it
6 shall deem proper in the premises.

7
8 Section 8.06. Effective Date. This Ordinance shall take effect immediately
9 following public hearing and final reading hereof.

10
11 [Remainder of page intentionally left blank]
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EXHIBIT A

DESCRIPTION OF PROJECT

The Charleston Sanitary Board's Woodward Branch Project consists of two separate Phases and consists of work including the planning, design, acquisition and construction of certain extensions, additions, betterments and improvements to its existing sewerage system, including but not limited to, the replacement and or rehabilitation of existing sewers in the areas of: Phase 1: 26th Street (between 7th Avenue and Washington Street West); Washington Street West (East and West from intersection with 26th Street and Woodward Drive); Woodward Drive (from intersection with Washington Street West to Headley Drive); Woodhaven Drive; Woodpath Lane; and Wilmore Lane; and Phase 2: Larchmont Drive; Spring Drive; Thompson Circle; Ledge Hill Drive; an unnamed alley between Savary Drive and Zabel Drive; and streets intersecting Woodward Drive including Blackwell Drive; Savary Drive; Zabel Drive; and Diana Court; provided, that the work will further include all necessary appurtenances; further provided, that to the extent that funds remain available, extensions, additions, betterments and improvements to the remaining portion of the existing sewer system.

1 **EXHIBIT B**
2 THE CITY OF CHARLESTON, WEST VIRGINIA
3 NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE
4

5 Notice is hereby given to any person interested that on _____, 2020, the
6 Council of The City of Charleston, West Virginia (the “City”) adopted an ordinance which,
7 among other things:
8

9 1. Authorized the design, acquisition and construction of certain extensions,
10 additions, betterments and improvements (the “Project”) to the City’s existing sewerage system
11 (the “System”), the permanent financing of such costs thereof through the issuance of not more
12 than \$16,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or
13 more series (the “Bonds”).
14

15 2. Directed that the Bonds be issued in such principal amounts, not to exceed
16 \$16,000,000, bear interest at such rate or rates, not exceeding the then legal maximum rate,
17 mature on such dates and in such amounts and be redeemable, in whole or in part, as prescribed
18 in a supplemental resolution.
19

20 3. Directed the disposition of the System revenues; provided for the payment
21 of operating expenses of the System and debt service on the Bonds; directed the creation of a
22 sinking fund and a reserve account for the Bonds; and directed the creation of a bond
23 construction trust fund and the disbursement of Bond proceeds.
24

25 4. Provided that the Bonds shall not be or constitute a corporate indebtedness
26 of the City within the meaning of any statutory or constitutional limitations, but shall be payable
27 solely from the Net Revenues of the System; pledged the Net Revenues of the System to
28 payment of the Bonds and established the rights of the registered owners of the Bonds to such
29 Net Revenues; and
30

31 5. Provided for insurance coverage on the Project and the System,
32 enforcement of collection of fees, rates or other charges for the System and other covenants in
33 favor of the registered owners; and established the events of default and the remedies of the
34 registered owners.
35

36 The City contemplates the issuance of the Bonds described in, and under the
37 conditions set forth in the Ordinance abstracted above. Any person interested may appear before
38 the Council of The City of Charleston at a _____ meeting on _____, 2020, at _____
39 p.m., in the Council Chambers, City Hall, Charleston, West Virginia, and present protests and be
40 heard as to whether the above-described Ordinance shall be put into effect.
41

42 A certified copy of the Ordinance as adopted by the Council of City on
43 _____, 2020, is on file with the City Clerk for review by interested persons at the City
44 Hall during regular office hours, to-wit: 8:00 a.m. to 4:00 p.m., Monday through Friday.
45

46 /s/
47 City Clerk of The City of Charleston, West Virginia

LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the “Loan Agreement”), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the “Authority”), the WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION (the “DEP”), and the local government designated below (the “Local Government”).

THE CITY OF CHARLESTON
(2017S-1718 / C-544557)
(Local Government)

W I T N E S S E T H:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the “Clean Water Act”), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the “Act”), the State of West Virginia (the “State”) has established a state water pollution control revolving fund program (the “Program”) to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency (“EPA”) to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition § 66.458 (1998)) and DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the “West Virginia Water Pollution Control Revolving Fund” (hereinafter the “Fund”);

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

WHEREAS, the Local Government is included on the DEP State Project Priority List and the Intended Use Plan and has met DEP's pre-application requirements for the Program;

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a wastewater treatment project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Government;

WHEREAS, the Local Government intends to construct, is constructing or has constructed such a wastewater treatment project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for a Loan with attachments and exhibits and an Amended Application for a Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Government, DEP and the Authority hereby agree as follows:

ARTICLE I Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto, who was selected pursuant to Article 1, Chapter 5G of the Code of West Virginia of 1931, as amended.

1.3 "Decentralized System" means wastewater treatment systems that treat wastewater, then reusing and/or dispersing the reclaimed water, as close to where it is generated as practical in each circumstance. A Decentralized System may include: on-site systems contained entirely within the simple boundaries of the lot it serves; small-scale collective systems, with their reuse/dispersal sites on easements on the lots served, on vacant lots purchased

for this purpose, on off-site properties, or a combination of these; larger scale collective systems utilizing dispersed or aggregated reuse/dispersal sites or discharging to surface water.

1.4 “Loan” means the loan to be made by the Authority and DEP to the Local Government through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.5 “Local Act” means the official action of the Local Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.6 “Local Bonds” means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Loan Agreement.

1.7 “Local Statute” means the specific provisions of the Code of West Virginia, 1931, as amended, pursuant to which the Local Bonds are issued.

1.8 “Operating Expenses” means the reasonable, proper and necessary costs of operation and maintenance of the System, as hereinafter defined, as should normally and regularly be included as such under generally accepted accounting principles.

1.9 “Program” means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

1.10 “Project” means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

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

1.12 “System” means the wastewater treatment facility owned by the Local Government, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.13 Additional terms and phrases are defined in this Loan Agreement as they are used.

ARTICLE II
The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Local Government by the Consulting Engineers, the DEP and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and the Local Act, the Local Government has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Local Government by the Consulting Engineers.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Local Government, subject to any mortgage lien or other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property is approved by DEP and the Authority.

2.4 The Local Government agrees that the Authority and DEP and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Government shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project, in accordance with generally accepted governmental accounting standards. The Local Government shall permit the Authority and DEP, acting by and through their Directors or duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Local Government shall submit to the Authority and DEP such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

2.6 The Local Government agrees that it will permit the Authority and DEP and their respective agents to have access to the records of the Local Government pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof or if the Project is an

improvement to an existing system at any reasonable time following commencement of construction.

2.7 The Local Government shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract and shall verify or have verified such bonds prior to commencement of construction.

2.8 The Local Government shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Government, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Government on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Record Drawings, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final or updated Operation and Maintenance Manual, if necessary as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ a state certified plant operator prior to

the Project being 50% complete and notify the DEP of such employment. The Local Government shall retain the operator(s) to operate the System during the entire term of this Loan Agreement.

2.11 The Local Government hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, DEP or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

2.12 The Local Government, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 20th of each month to DEP and the Authority.

2.13 The Local Government shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia (the "PSC").

2.14 The Local Government, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward such forms to DEP in compliance with the Local Government's construction schedule.

ARTICLE III Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to make the Loan is subject to the Local Government's fulfillment, to the satisfaction of the Authority and DEP, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

(a) The Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

(b) The Local Government shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(c) The Local Government shall have authorized the issuance of and delivery to the Authority of the Local Bonds described in this Article III and in Article IV hereof;

(d) The Local Government shall either have received bids or entered into contracts for the construction of the Project, which are in an amount and otherwise compatible with the plan of financing described in the Application; provided that, if the Loan will refund an interim construction financing, the Local Government must either be constructing or have constructed its Project for a cost and as otherwise compatible with the plan of financing described in the Application; and, in either case, the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

(e) The Local Government shall have obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, and the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect;

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(g) The Local Government shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(h) The Local Government shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and DEP shall have received a certificate of the accountant for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, to such effect; and

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on

a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Loan shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Government by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing."

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans from the Fund to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the prior approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

3.7 The Local Government shall comply with all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, Water Resources Reform and Development Act of 2014 (WRRDA) and related SRF Policy Guidelines issued by the EPA) which the Local Government understands includes, among other things, requirements that all of the iron and steel products used in the Project are to be produced in the United States (“American Iron and Steel Requirement”) unless (i) the Local Government has requested and obtained a waiver from the EPA pertaining to the Project or (ii) DEP has otherwise advised the Local Government in writing that the American Iron and Steel Requirement is not applicable to the Project.

3.8 The Local Government shall comply with all record keeping and reporting requirements under the Clean Water Act, including any reports required by a Federal agency or DEP such as performance indicators of program deliverables, information on costs and Project progress. The Local Government understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Clean Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Bonds and/or other remedial actions.

ARTICLE IV

Local Bonds; Security for Loan; Repayment of Loan; Interest on Loan; Fees and Charges

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

(a) That the gross revenues of the System shall always be used for purposes of the System. Such gross revenues will be used monthly, in the order of priority listed below:

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the “Reserve Account”) was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the “Reserve Requirement”), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

(iii) to create a renewal and replacement, or similar, fund in an amount equal to two and one-half percent (2-1/2%) of the gross revenues from the System, exclusive of any payments into the Reserve Account, for the purpose of improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account; and

(iv) for other legal purposes of the System, including payment of debt service on other obligations junior, subordinate and inferior to the Local Bonds.

Provided, that if the Local Government has existing outstanding indebtedness which has greater coverage or renewal and replacement fund requirements, then the greater requirements will prevail until said existing indebtedness is paid in full.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the net or gross revenues of the System as provided in the Local Act;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the Reserve Account is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

(iii) That the Local Government shall complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Government shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than

one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and DEP; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

(vi) That the Local Government will carry such insurance as is customarily carried with respect to works and properties similar to the System, including those specified by Section 2.8 hereof;

(vii) That the Local Government will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Government under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

(ix) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That, to the extent legally allowable, the Local Government will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Government shall annually cause the records of the System to be audited in accordance with 2 CFR 200 Subpart F (or any successor thereto) or the laws of the State by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Government shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and DEP within 30 days of adoption thereof;

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, prospective users of the System shall be required to connect thereto;

(xiv) That the proceeds of the Local Bonds, advanced from time to time, except for accrued interest and capitalized interest, if any, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Local Government and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing of such Local Government, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and DEP, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

(xvi) That the West Virginia Municipal Bond Commission (the "Commission") shall serve as paying agent for all Local Bonds;

(xvii) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Local Government will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Government shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore the services of the water facility

until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Local Government, then the Local Government shall enter into a termination agreement with the water provider; and

(xxi) That the Local Government shall submit all proposed change orders to the DEP for approval. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

The Local Government hereby represents and warrants that the Local Act has been or shall be duly adopted or enacted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, validity, sale and delivery of the Local Bonds shall be approved without qualification by nationally recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit G.

4.2 The Loan shall be secured by the pledge and assignment by the Local Government, as effected by the Local Act, of the fees, charges and other revenues of the Local Government from the System.

4.3 At least two percent (2%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the DEP monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

4.6 The obligation of the Authority to make any loans shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to make the Loan.

ARTICLE V

Certain Covenants of the Local Government; Imposition and Collection of User Charges; Payments To Be Made by Local Government to the Authority

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this Loan Agreement, the Local Government hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to this Loan Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Loan Agreement, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever

calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and DEP shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Government has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the SRF Regulations or this Loan Agreement.

6.3 The Local Government hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project.

6.4 The Local Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

6.5 Notwithstanding Section 6.4, the Authority and DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

6.6 The Local Government hereby agrees to give the Authority and DEP prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

6.7 The Local Government hereby agrees to file with the Authority and DEP upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII
Miscellaneous

7.1 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Local Government supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

7.4 No waiver by any party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

7.5 This Loan Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

7.6 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Local Government specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP; or

(ii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Loan made under this Loan Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to make the Loan. In the event funds are not appropriated or otherwise available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Loan made by the

Authority and DEP is not terminated due to such non-funding on any balance of the Loan. The DEP agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

THE CITY OF CHARLESTON

(SEAL)

By: _____
Its: Mayor
Date: May 7, 2020

Attest:

Its: City Clerk

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: _____
Its: Acting Director
Date: May 7, 2020

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: May 7, 2020

Attest:

Its: Authorized Officer

EXHIBIT A
FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B
MONTHLY FINANCIAL REPORT

Name of Local Government _____

Name of Bond Issue(s) _____

Type of Project _____ Water _____ Wastewater _____

Fiscal Year _____ Report Month _____

<u>Item</u>	<u>Current Month</u>	<u>Total Year To Date</u>	<u>Budget Year To Date</u>	<u>Budget Year To Date Minus Total Year To Date</u>
1. Gross Revenues	_____	_____	_____	_____
2. Operating Expenses	_____	_____	_____	_____
3. Bond Payments:				
Type of Issue	_____	_____	_____	_____
Clean Water SRF	_____	_____	_____	_____
Drinking Water TRF	_____	_____	_____	_____
Infrastructure Fund	_____	_____	_____	_____
Water Development Authority	_____	_____	_____	_____
Rural Utilities Service	_____	_____	_____	_____
Economic Development Administration	_____	_____	_____	_____
Other (Identify)	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
4. Renewal and Replacement Fund Deposits	_____	_____	_____	_____

Name of Person Completing Form

Address

Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1 You will need a copy of the current fiscal year budget adopted by the Local Government to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ($\$1,200/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ($\$900/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Local Government according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.
- Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 20th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT C
PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D
FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No. _____ of _____, Consulting Engineers, _____, _____, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____ County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), dated _____.

2. The Bonds are being issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A, and my firm¹ has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all

¹If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____, Esq.] and delete "my firm has ascertained that".

critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof², the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; (xi) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve _____ new customers in the _____ area as approved by the Infrastructure Council without substitution.

WITNESS my signature and seal on this ____ day of _____, _____

By _____
West Virginia License No.

[SEAL]

²If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: "In reliance upon the certificate of _____ of even date herewith," at the beginning of (ix).

EXHIBIT E
SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, ground breaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with Federal money, (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

B. FISCAL SUSTAINABILITY – The Local Government shall submit an acceptable fiscal sustainability plan that complied with Section 603(d)(1)(E) of the Clean Water Act to DEP no later than six months following substantial completion of the Project. This requirement shall be included in the bond closing documents.

C. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

D. CLOSING REQUIREMENTS – Closing of the Bonds is conditioned upon the DEP's receipt of acceptable Final Title Opinion for Phase I of the Project and Final CPA Certificate. Funds in the Change Order line item of the Schedule B dated May 7, 2020 will not be advanced to the Local Government until the DEP has received and approved the appropriate Change Order(s) and Final Title Opinion with respect to the Change Order property.

E. PHASE II ADVANCES – Funds will not be advanced to the Local Government to pay for costs with respect to Phase II of the Project (as set forth on the Schedule B dated May 7, 2020) until the DEP has received and approved the following with respect to Phase II: (1) approvable Final Plans and Specifications; (2) acceptable bid tabulations; (3) Final Title Opinion; (4) updated Schedule B reflecting actual bids and final Project costs; (5) all necessary permits; and (6) any other documents required by the DEP.

EXHIBIT F
MONTHLY PAYMENT FORM

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of [Name of Local Government] on [Date].

Sinking Fund:

Interest	\$
Principal	\$
Total:	\$
Reserve Account:	\$

Witness my signature this ___ day of _____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G
OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

Ladies and Gentlemen:

We are bond counsel to _____ (the "Local Government"), a
_____.

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated ____, ____, including all schedules and exhibits attached thereto (the "Loan Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, dated ____, ____ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of \$_____, in the form of one bond, registered as to principal and interest to the Authority, with principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning ____ 1, ____, and ending ____ 1, ____, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Local Government on _____, as supplemented by the supplemental resolution duly adopted by the Local Government on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Loan Agreement has been duly authorized by and executed on behalf of the Local Government and is a valid and binding special obligation of the Local Government, enforceable in accordance with the terms thereof.

2. The Loan Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Local Government without the consent of the Authority and the DEP.

3. The Local Government is a duly organized and validly existing _____, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Local Government and constitute valid and binding obligations of the Local Government, enforceable against the Local Government in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Local Government to the Authority and are valid, legally enforceable and binding special obligations of the Local Government, payable from the net or gross revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the net or gross revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

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

No opinion is given herein as to the effect upon enforceability of the Local Bonds of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Local Bond numbered R-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

SCHEDULE X
DESCRIPTION OF LOCAL BONDS

A.	Series A Bonds	
	Principal Amount of Local Bonds	\$12,859,975
	Purchase Price of Local Bonds	\$12,859,975

The Local Bonds shall bear interest at a rate of 2.75% per annum. Commencing June 1, 2022, principal of and interest on the Local Bonds is payable quarterly, with an administrative fee of 0.25%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

The Local Bonds are fully registered in the name of the Authority as to principal and interest, if any, and the Local Bonds shall grant the Authority a first lien on the net or gross revenues of the Local Government's system as provided in the Local Act.

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Government:

- | | | |
|----|--|------------|
| 1. | \$1,912,194 Sewer Revenue Bonds,
Series 1989 A, dated March 21, 1989 | First Lien |
| 2. | \$829,856 Sewer Revenue Bonds,
Series 1989 C, dated November 21, 1989 | First Lien |
| 3. | \$686,229 Sewerage System Revenue Bonds,
1999 Series A, dated June 22, 1999 | First Lien |
| 4. | \$823,741 Sewerage System Revenue Bonds,
2001 Series B, dated May 22, 2001 | First Lien |

5.	\$9,835,120 Sewerage System Revenue Bonds, Series 2004 A, dated March 23, 2004	First Lien
6.	\$36,617,310 Sewerage System Revenue Bonds, Series 2005 A, dated May 5, 2005	First Lien
7.	\$9,000,000 Sewerage System Revenue Bonds, Series 2008 A, dated June 26, 2008	First Lien
8.	\$25,877,009 Sewerage System Revenue Bonds, Series 2011 A, dated December 13, 2011	First Lien
9.	\$11,613,300 Sewerage System Revenue Bonds, Series 2013 A, dated March 27, 2013	First Lien
10.	\$13,145,000 Sewerage System Revenue Bonds, Series 2016 A, dated September 22, 2016	First Lien
11.	\$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989	Second Lien
12.	\$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989	Second Lien
13.	\$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999	Second Lien
14.	\$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001	Second Lien
15.	\$1,822,690 Sewerage System Revenue Bonds, Series 2005 B-1, dated May 5, 2005	Second Lien

The Second Lien Bonds are subordinate and junior to the First Lien Bonds and the Local Bonds

Number of New Customers: -0-

Location: Woodward Drive area of Charleston, Kanawha County



UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2020 A
(WEST VIRGINIA CWSRF PROGRAM)

Specimen

No. AR-1

Specimen

\$12,859,975

KNOW ALL MEN BY THESE PRESENTS: The 7th day of May, 2020, that THE CITY OF CHARLESTON, a municipal corporation organized and existing under the laws of the State of West Virginia in Kanawha County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWELVE MILLION EIGHT HUNDRED FIFTY-NINE THOUSAND NINE HUNDRED SEVENTY-FIVE DOLLARS (\$12,859,975), or such lesser amount as shall have been advanced to the City hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2022, to and including March 1, 2040, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of 0.25% (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2022, as set forth on said EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at a rate of 2.75% per annum. Principal and interest installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the City, the Authority and the DEP, dated May 7, 2020.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing sewerage system of the City, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the City on February 18, 2020, as supplemented by a Supplemental Resolution duly adopted by the City on April 20, 2020 (the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE CITY'S: \$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED MARCH 21, 1989 (THE "SERIES 1989 A BONDS"); \$829,856 SEWER REVENUE BONDS, SERIES 1989 C, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 C BONDS"); \$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A, DATED JUNE 22, 1999 (THE "SERIES 1999 A BONDS"); \$823,741 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES B, DATED MAY 22, 2001 (THE "SERIES 2001 B BONDS"); \$9,835,120 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A, DATED MARCH 23, 2004 (THE "SERIES 2004 A BONDS"); \$36,617,310 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED MAY 5, 2005 (THE "SERIES 2005 A BONDS"); \$9,000,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED JUNE 26, 2008 (THE "SERIES 2008 A BONDS"); \$25,877,009 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A, DATED DECEMBER 13, 2011 (THE "SERIES 2011 A BONDS"); \$11,613,300 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A, DATED MARCH 27, 2013 (THE "SERIES 2013 A BONDS"); \$13,145,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A, DATED SEPTEMBER 22, 2016 (THE "SERIES 2016 A BONDS"); AND SENIOR TO THE CITY'S \$283,458 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 B, DATED MARCH 21, 1989 (THE "SERIES 1989 B BONDS"); \$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS"); \$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS"); \$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS"); AND \$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").

The Series 1989 A Bonds, the Series 1989 C Bonds, the Series 1998 A Bonds, the Series 1999 A Bonds, the Series 2001 B Bonds, the Series 2004 A Bonds, the Series 2005 A Bonds, the Series 2008 A Bonds, the Series 2011 A Bonds, the Series 2013 A Bonds and the Series 2016 A Bonds are collectively referred to as the "First Lien Bonds." The Series 1989 B Bonds, the Series 1989 D Bonds, the Series 1999 B Bonds, the Series 2001 C Bonds, and the Series 2005 B-1 Bonds are collectively referred to as the "Second Lien Bonds," which are subordinate and junior

to the First Lien Bonds and the Bonds. The First Lien Bonds and the Second Lien Bonds are collectively referred to as the "Prior Bonds."

This Bond is payable only from and secured by a pledge of the Net Revenues to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2020 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose.

This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2020 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the City has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds. The City has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of United Bank, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to the payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

Specimen

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

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

[Remainder of page intentionally left blank]

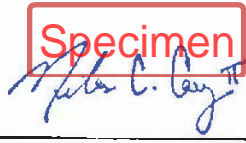
IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Bond to be signed by its Mayor and its corporate seal, if any, to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated the day and year first written above.

[SEAL]

Specimen

Mayor

ATTEST:

Specimen


City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2020 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: May 7, 2020.

UNITED BANK,
as Registrar

Specimen

Thomas Devenez

Authorized Officer

AR-1
Specimen

EXHIBIT B
DEBT SERVICE SCHEDULE

Net Debt Service
City of Charleston
SRF
\$12,859,976
2.75% Interest Rate
0.26% Administrative Fee
20 Years from Closing Date

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
6/1/2022	138,638	88,412.33	227,050.33	4,403.57	231,453.90
9/1/2022	139,591	87,459.19	227,050.19	4,403.57	231,453.76
12/1/2022	140,551	86,499.50	227,050.50	4,403.57	231,454.07
3/1/2023	141,517	85,533.22	227,050.22	4,403.57	231,453.79
6/1/2023	142,490	84,560.29	227,050.29	4,403.57	231,453.86
9/1/2023	143,469	83,580.67	227,049.67	4,403.57	231,453.24
12/1/2023	144,456	82,594.32	227,050.32	4,403.57	231,453.89
3/1/2024	145,449	81,601.18	227,050.18	4,403.57	231,453.75
6/1/2024	146,449	80,601.22	227,050.22	4,403.57	231,453.79
9/1/2024	147,456	79,594.38	227,050.38	4,403.57	231,453.95
12/1/2024	148,469	78,580.62	227,049.62	4,403.57	231,453.19
3/1/2025	149,490	77,559.90	227,049.90	4,403.57	231,453.47
6/1/2025	150,518	76,532.16	227,050.16	4,403.57	231,453.73
9/1/2025	151,553	75,497.35	227,050.35	4,403.57	231,453.92
12/1/2025	152,595	74,455.42	227,050.42	4,403.57	231,453.99
3/1/2026	153,644	73,406.33	227,050.33	4,403.57	231,453.90
6/1/2026	154,700	72,350.03	227,050.03	4,403.57	231,453.60
9/1/2026	155,764	71,286.46	227,050.46	4,403.57	231,454.03
12/1/2026	156,834	70,215.59	227,049.59	4,403.57	231,453.16
3/1/2027	157,913	69,137.35	227,050.35	4,403.57	231,453.92
6/1/2027	158,998	68,051.70	227,049.70	4,403.57	231,453.27
9/1/2027	160,091	66,958.59	227,049.59	4,403.57	231,453.16
12/1/2027	161,192	65,857.96	227,049.96	4,403.57	231,453.53
3/1/2028	162,300	64,749.77	227,049.77	4,403.57	231,453.34
6/1/2028	163,416	63,633.96	227,049.96	4,403.57	231,453.53
9/1/2028	164,540	62,510.47	227,050.47	4,403.57	231,454.04
12/1/2028	165,671	61,379.26	227,050.26	4,403.57	231,453.83
3/1/2029	166,810	60,240.27	227,050.27	4,403.57	231,453.84
6/1/2029	167,957	59,093.45	227,050.45	4,403.57	231,454.02
9/1/2029	169,111	57,938.75	227,049.75	4,403.57	231,453.32
12/1/2029	170,274	56,776.11	227,050.11	4,403.57	231,453.68
3/1/2030	171,445	55,605.47	227,050.47	4,403.57	231,454.04
6/1/2030	172,623	54,426.79	227,049.79	4,403.57	231,453.36
9/1/2030	173,810	53,240.01	227,050.01	4,403.57	231,453.58
12/1/2030	175,005	52,045.06	227,050.06	4,403.57	231,453.63
3/1/2031	176,208	50,841.90	227,049.90	4,403.57	231,453.47
6/1/2031	177,420	49,630.47	227,050.47	4,403.57	231,454.04
9/1/2031	178,639	48,410.71	227,049.71	4,403.57	231,453.28
12/1/2031	179,867	47,182.57	227,049.57	4,403.57	231,453.14
3/1/2032	181,104	45,945.98	227,049.98	4,403.57	231,453.55
6/1/2032	182,349	44,700.89	227,049.89	4,403.57	231,453.46
9/1/2032	183,603	43,447.24	227,050.24	4,403.57	231,453.81
12/1/2032	184,865	42,184.97	227,049.97	4,403.57	231,453.54
3/1/2033	186,136	40,914.03	227,050.03	4,403.57	231,453.60
6/1/2033	187,416	39,634.34	227,050.34	4,403.57	231,453.91
9/1/2033	188,704	38,345.86	227,049.86	4,403.57	231,453.43

AR 1
Specimen

Net Debt Service
City of Charleston
SRF
\$12,859,975
2.75% Interest Rate
0.25% Administrative Fee
20 Years from Closing Date

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
12/1/2033	190,001	37,048.52	227,049.52	4,403.57	231,453.09
3/1/2034	191,308	35,742.26	227,050.26	4,403.57	231,453.83
6/1/2034	192,623	34,427.02	227,050.02	4,403.57	231,453.59
9/1/2034	193,947	33,102.73	227,049.73	4,403.57	231,453.30
12/1/2034	195,281	31,769.35	227,050.35	4,403.57	231,453.92
3/1/2035	196,623	30,426.79	227,049.79	4,403.57	231,453.36
6/1/2035	197,975	29,075.01	227,050.01	4,403.57	231,453.58
9/1/2035	199,336	27,713.93	227,049.93	4,403.57	231,453.50
12/1/2035	200,707	26,343.49	227,050.49	4,403.57	231,454.06
3/1/2036	202,086	24,963.63	227,049.63	4,403.57	231,453.20
6/1/2036	203,476	23,574.29	227,050.29	4,403.57	231,453.86
9/1/2036	204,875	22,175.40	227,050.40	4,403.57	231,453.97
12/1/2036	206,283	20,766.88	227,049.88	4,403.57	231,453.45
3/1/2037	207,701	19,348.68	227,049.68	4,403.57	231,453.25
6/1/2037	209,129	17,920.74	227,049.74	4,403.57	231,453.31
9/1/2037	210,567	16,482.98	227,049.98	4,403.57	231,453.55
12/1/2037	212,015	15,035.33	227,050.33	4,403.57	231,453.90
3/1/2038	213,472	13,577.73	227,049.73	4,403.57	231,453.30
6/1/2038	214,940	12,110.11	227,050.11	4,403.57	231,453.68
9/1/2038	216,418	10,632.39	227,050.39	4,403.57	231,453.96
12/1/2038	217,905	9,144.52	227,049.52	4,403.57	231,453.09
3/1/2039	219,404	7,646.42	227,050.42	4,403.57	231,453.99
6/1/2039	220,912	6,138.02	227,050.02	4,403.57	231,453.59
9/1/2039	222,431	4,619.25	227,050.25	4,403.57	231,453.82
12/1/2039	223,960	3,090.04	227,050.04	4,403.57	231,453.61
3/1/2040	225,500	1,550.31	227,050.31	4,403.79	231,454.10
	12,859,975	3,487,629.91	16,347,604.91	317,057.26	16,664,662.17

The quarterly administration fee is calculated based upon) 0.25% of the loan payments and will be \$4,403.79, with a final payment of \$4,403.79, to total \$317,057.26.

AR-1

Specimen

(Form of)

ASSIGNMENT

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

Dated: _____.

In the presence of:

May 7, 2020

The City of Charleston
P.O. Box 2749
Charleston, WV 25330

West Virginia Department of Environmental Protection
601 57th Street
Charleston WV 25304

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Re: The City of Charleston
Sewerage System Revenue Bonds, Series 2020 A
(West Virginia CWSRF Program)

Ladies and Gentlemen:

We have acted as special counsel to the Charleston Sanitary Board, Charleston, West Virginia (the "Board") in connection with the issuance and sale by The City of Charleston (the "City") of the above-referenced Bonds (the "Series 2020 A Bonds"), which are being delivered and sold pursuant to a Loan Agreement dated May 7, 2020 (the "Loan Agreement") by and among the City, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"). Any capitalized term used herein and not defined herein shall have the meaning assigned to it in the Loan Agreement.

In this connection, we have reviewed and examined certain proceedings and documents with respect to the Series 2020 A Bonds, any such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion, the Constitution and the laws of the State of West Virginia, including Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and certifications of the Board. Based on such review and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

1. The Board has been legally constituted and has all power and authority to manage and conduct the Board's operations.
2. The City has the power and authorization to set and enforce sewer rates and charges and the rates and charges enacted by the City on November 16, 2015, effective March 28, 2016, are in full force and effect and are not subject to appeal.

3. The City has duly enacted a Project Ordinance on February 3, 2020 pursuant to 24-2-11 of the West Virginia Code of 1931, as amended, therefore the City is not required to obtain a certificate of convenience and necessity from the Public Service Commission of West Virginia.

4. No litigation is pending, or to our knowledge, threatened in any court in any way affecting the existence of the Board or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the collection of Revenues of the Board pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Ordinance or the Loan Agreement, or contesting the powers of the Board with respect to the Loan Agreement.

5. All successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that comply with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code; and all successful bidders have made required provisions for all insurance and payment and performance bonds; the surety bonds and certificates of insurance coverage in connection with the Project and verified that such surety bonds and certificates (a) are in compliance with the contracts; (b) are adequate in form, substance and amount to protect the various interests of the City; (c) have been executed by duly authorized representatives of the proper parties; (d) meet the requirements of the Act and the Ordinance; and (e) all such documents constitute or reference valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

All counsel to this transaction may rely upon the foregoing opinion as if specifically addressed to them.

Very truly yours,

Spilman Thomas & Battle, PLLC

SPILMAN THOMAS & BATTLE, PLLC

THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2020 A
(WEST VIRGINIA CWSRF PROGRAM)

May 7, 2020

The City of Charleston
P.O. Box 2749
Charleston, WV 25330

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Jackson Kelly
500 Lee Street, Suite 1600
Charleston, WV 25301

Re: Final Title Opinion for The City of Charleston

Ladies and Gentlemen:

We are counsel to The City of Charleston (the “Issuer”) and its Sanitary Board (“Sanitary Board”) in connection with a proposed project to construct certain extensions, additions, betterments and improvements to the existing sewerage system of the Issuer (the “Project”). We provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the “DEP”) for the Project. Please be advised of the following:

1. We are of the opinion that the Issuer is a duly created and validly existing municipality possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia to construct, operate and maintain the Project as approved by the DEP.

2. The Issuer has obtained all necessary permits and approvals for the construction of the Project. In rendering this opinion, we have relied solely on representations concerning construction permits and approvals made to us by Burgess & Niple, the consulting engineer for the Project (“Burgess & Niple”).

3. Since the Issuer satisfies the customer and gross revenue thresholds for West Virginia Code Section 24-2-11, the Issuer is not required to obtain a certificate of public convenience and necessity from the West Virginia Public Service Commission (the "PSC") prior to the construction of additions, betterments and improvements for the System. The Issuer may issue bonds and undertake construction projects without PSC oversight. The Issuer has adopted a Project Ordinance dated February 18, 2020, pursuant to 24-2-11 of the West Virginia Code of 1931, as amended.

4. We have investigated and ascertained the location of, and are familiar with the legal description of, the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Burgess & Niple. In rendering this opinion, we have relied solely on the plans for the Project, as amended from time to time, prepared by Burgess & Niple (the "Plans"), and on lists of the necessary easements and/or rights of way prepared by Burgess & Niple.

5. We have examined the records on file in the Office of the Clerk of the County Commission of Kanawha County, West Virginia, the county in which the Project is to be located, and, in our opinion, the Issuer has acquired legal title or such other estate or interest in the easements and/or rights of way which Burgess & Niple advised were necessary to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project, with the exception of those listed in Paragraph 6.

6. The following listed properties are to be acquired by eminent domain:
- A. City of Charleston, West Virginia v. Richard Hackney, Civil Action No. 20-P-128 (Judge Bloom)
(CN 5/parcel 26)
 - B. City of Charleston, West Virginia v. Jason Littlejohn, Civil Action No. 20-P-129 (Judge Bailey)
(CN 4/parcel 3)
 - C. City of Charleston, West Virginia v. Unknown Trustees of Woodward Woods Mission, and Gavin Mills, Tiffany Brashear, and Diana Mills, Trustees for the Pentecostal Affirming Ministries, a religious organization, Civil Action No. 20-P-130 (Judge Kaufman)
(CN 82/parcel 63)
 - D. City of Charleston, West Virginia v. Rissie K. Joy, Thomas J. King, and Alia M. Meade as heirs and beneficiaries of Pauletta V. King, deceased, Civil Action No. 20-P-134 (Judge Bloom)
(CN 5/parcel 5)
 - E. City of Charleston, West Virginia v. NR Deed, LLC, Civil Action No. 20-P-132 (Judge Salango)
(CN 4/parcel 27)

All of the necessary condemnation petitions for the above-referenced five properties have been filed in the Office of the Clerk of the Circuit Court of Kanawha County, West Virginia, to permit the Issuer a right-of-entry for the purpose of construction, operation and maintenance of the Project on the subject properties. The condemnation petitions referenced above have been assigned civil action numbers and a Circuit Court Judge. As of the date of this opinion, no right-of-entry orders have been entered in any of the above-referenced cases. The Issuer and the contractor have agreed to Change Order No. 1, which revises Contract 18-3A Phase I, Plan Sheets C-02, C-07, C-10, C-12, and C-18, to eliminate the work to be completed on the above-referenced five properties, such work to be reinstated to the Contract within the milestone periods set forth in Change Order No. 1. The Issuer's easement interests in the above-referenced five properties are defeasible in the event the Issuer does not receive a right-of-entry on the above-referenced properties or does not satisfy any resulting judgment and/or award in the proceedings for condemnation of easement interests in said properties, and our certification is subject to the above-referenced pending litigation. There are no real property acquisitions to be obtained.

7. All easements and rights of way which have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of Kanawha County to protect the legal title to and interest of the Issuer.

8. This final title opinion is based upon a limited search of and relies on the correctness and accuracy of the records, indices of records and recitals of the records in the aforesaid Clerk's office and the Office of the Assessor of Kanawha County. This opinion is subject to any facts, rights, interests, or claims which are not shown by the records contained in the aforesaid Clerk's office or Assessor's office and any discrepancies, conflicts and inaccuracies in boundary lines, errors in acreage, encroachments, or any other facts which a correct and accurate survey of the subject properties would disclose. This opinion is further subject to the accuracy of the information provided to us by Burgess & Niple, including but not limited to, the list of easements to be acquired for the Project.

9. There is no litigation pending with respect to the Project and to the best of our knowledge and belief there are no tax liens against the municipality.

We have rendered this opinion effective as of the date hereof, and it is limited to statutes, rules and regulations in effect on the date hereof and facts and circumstances as they now exist. We have no obligation to update our opinion based upon subsequent changes in statutes, rules and regulations or in the facts and circumstances affecting this matter.

This opinion is rendered only for the benefit of the addressees and may not be relied upon by any other party without our prior written consent. No attorney-client privilege is waived or intended to be waived by this opinion. If you have any questions regarding any of the information contained in this opinion, please contact this office.

Very truly yours,

Spilman Thomas & Battle, PLLC

SPILMAN THOMAS & BATTLE, PLLC

THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2020 A
(WEST VIRGINIA CWSRF PROGRAM)

June 5, 2020

The City of Charleston
P.O. Box 2749
Charleston, WV 25330

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Jackson Kelly
500 Lee Street, Suite 1600
Charleston, WV 25301

Re: Supplement to Final Title Opinion for The City of Charleston

Ladies and Gentlemen:

We are counsel to The City of Charleston (the "Issuer") and its Sanitary Board ("Sanitary Board") in connection with a proposed project to construct certain extensions, additions, betterments and improvements to the existing sewerage system of the Issuer (the "Project"). We previously provided a final title opinion dated May 7, 2020, on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") for the Project. We now provide this supplement to our May 7, 2020, final title opinion, solely regarding the orders granting the Issuer immediate right of entry, possession, and use that have been filed in the Issuer's civil actions regarding condemnation of easement interests for the Project. Please be advised of the following:

1. The Issuer is acquiring easement interests across the following five listed properties by eminent domain. The necessary condemnation petitions relative to the five properties have been filed in the Office of the Clerk of the Circuit Court of Kanawha County, West Virginia, to permit the Issuer a right-of-entry for the purpose of construction, operation and maintenance of the Project on the subject properties. Orders granting the Issuer immediate right-of-entry, possession, and use have been issued by each judge assigned and filed with the aforesaid Clerk's office, as designated.

City of Charleston, West Virginia v. Richard Hackney, Civil Action No. 20-P-128 (Judge Bloom) (CN 5/parcel 26)	Order Granting Petitioner Immediate Right of Entry, Possession, and Use – May 13, 2020
City of Charleston, West Virginia v. Jason Littlejohn, Civil Action No. 20-P-129 (Judge Bailey) (CN 4/parcel 3)	Order Granting Petitioner Immediate Right of Entry, Possession, and Use – May 12, 2020
City of Charleston, West Virginia v. Unknown Trustees of Woodward Woods Mission, and Gavin Mills, Tiffany Brashear, and Diana Mills, Trustees for the Pentecostal Affirming Ministries, a religious organization, Civil Action No. 20-P-130 (Judge Kaufman) (CN 82/parcel 63)	Order Granting Petitioner Immediate Right of Entry, Possession, and Use – May 20, 2020
City of Charleston, West Virginia v. Rissie K. Joy, Thomas J. King, and Alia M. Meade as heirs and beneficiaries of Pauletta V. King, deceased, Civil Action No. 20-P-134 (Judge Bloom) (CN 5/parcel 5)	Amended Order Granting Petitioner Immediate Right of Entry, Possession, and Use – May 13, 2020
City of Charleston, West Virginia v. NR Deed, LLC, Civil Action No. 20-P-132 (Judge Salango) (CN 4/parcel 27)	Order Granting Petitioner Immediate Right of Entry, Possession, and Use – May 4, 2020

The Issuer's easement interests in the above-referenced five properties are defeasible in the event the Issuer does not satisfy any resulting judgment and/or award in the proceedings for condemnation of easement interests in said properties, and our certification is subject to the above-referenced pending litigation.

We have rendered this opinion effective as of the date hereof, and it is limited to statutes, rules and regulations in effect on the date hereof and facts and circumstances as they now exist. We have no obligation to update our opinion based upon subsequent changes in statutes, rules and regulations or in the facts and circumstances affecting this matter.

This opinion is rendered only for the benefit of the addressees and may not be relied upon by any other party without our prior written consent. No attorney-client privilege is waived or intended to be waived by this opinion. If you have any questions regarding any of the information contained in this opinion, please contact this office.

Very truly yours,



SPILMAN THOMAS & BATTLE, PLLC