CITY OF CLARKSBURG

WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A (WEST VIRGINIA DWTRF PROGRAM)

BOND ORDINANCE

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CITY OF CLARKSBURG

ORDINANCE AUTHORIZING DESIGN AND OTHER PRECONSTRUCTION ACTIVITIES RELATING TO THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF CLARKSBURG.

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a municipal waterworks treatment and distribution system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the design and other preconstruction activities referred to herein as the "Design Project") (the existing public waterworks system of the Issuer, the aforementioned improvements contemplated by the Design Project and any further extensions, additions, betterments and improvements thereto are herein called the "System").

C. The Issuer intends to permanently finance the costs of the Design Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Drinking Water Treatment Revolving Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Waterworks System Design Revenue Bonds, Series 2023 A (West Virginia DWTRF Program), in the total aggregate principal amount of not more than $2,000,000 (the "Series 2023 A Bonds"), to be initially represented by a single bond, to permanently finance a portion of the costs of the Design Project. The remainder of the costs of the Design Project shall be as set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2023 A Bonds prior to and during the Design Project and for a period not exceeding 6 months after completion of the Design Project; amounts which may be deposited in the Series 2023 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2023 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2023 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Design Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Design Project is not less than 40 years.

F. It is in the best interests of the Issuer that its Series 2023 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Bureau for Public Health (the "BPH"), in form satisfactory to the Issuer, the Authority and the BPH (the "Loan Agreement").

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2023 A Bonds as to liens, pledge, source of and security for payment, as follows:

(1) Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated September 28, 2004, issued in the original aggregate principal amount of $1,885,764 (the “Series 2004 A Bonds”); and,

(2) Water Refunding Revenue Bonds, Series 2021 A (Tax-Exempt), dated March 18, 2021, issued in the original aggregate principal amount of $2,785,000 (the “Series 2021 A Bonds” and collectively with the Series 2004 A Bonds, the “Prior Bonds”); and

(3) Waterworks System Design Revenue Bonds, Series 2023 B (West Virginia DWTRF Program) issued contemporaneously herewith in the aggregate principal amount of not to exceed $1,000,0000 (the “Series 2023 B Bonds”); and,

(4) Waterworks System Design Revenue Bonds, Series 2023 C (West Virginia DWTRF Program/Forgivable) issued contemporaneously herewith in the aggregate principal amount of not to exceed $1,000,000 (the “Series 2023 C Bonds”).

The Series 2023 A Bonds, Series 2023 B Bonds, and Series 2023 C Bonds shall be collectively referred to herein as the Series 2023 Bonds.

The Series 2023 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2023 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the registered owners of the Series 2004 A Bonds to the issuance of the Series 2023 Bonds on a parity with the Prior Bonds (the Series 2021 A Bonds do not require consent). Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Design Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Prior Bonds and payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the Design Project and the System and issuance of the Series 2023 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Design Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council (the "Council").

J. The Design Project has been reviewed and determined to be technically and financially feasible by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2023 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the Series 2023 A Bonds.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2023 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the BPH under the Act.

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

“BIL” means the Infrastructure Investment and Jobs Act, Public Law 117-58, pursuant to which funding has been awarded to BPH, as hereinafter defined.

“Board” means the Clarksburg Water Board existing under Section 25 of the charter of the City of Clarksburg and having powers and duties as set forth in Section 27 of such charter.

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

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

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

"Bonds" means, collectively, the Series 2023 Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

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

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2023 A Bonds for all or a portion of the proceeds of the Series 2023 A Bonds from the Authority.

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

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

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

"Costs" or "Costs of the Design Project" means those costs described in Section 1.02D hereof to be a part of the cost of the Design Project.

“Cross Cutter Authorities” means federal laws and authorities that apply by their terms to projects or activities receiving federal assistance.

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

"Design Project" means the Design Project as described in Section 1.02B hereof.

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

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

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

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

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

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

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

"Issuer" means the City of Clarksburg, a municipal corporation and political subdivision of the State of West Virginia, in Harrison County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer and includes the Board.

"Loan Agreement" means, the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the BPH, providing for the purchase of the Series 2023 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

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

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing,

administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents), the Administrative Fee, payments to the pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of principal of or redemption, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of the capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

"Parity Bonds" means additional Bonds issued on a parity with the Series 2023 A Bonds, the Series 2023 B Bonds, the Series 2023 C Bonds and the Prior Bonds under the provisions and within the limitations prescribed by Section 7.07 hereof.

"Paying Agent" means the Commission, or such other entity or authority as may be designated as a Paying Agent for the Series 2023 A Bonds by the Issuer in the Supplemental Resolution.

"Prior Bonds" means the Series 2004 A Bonds and the Series 2021 A Bonds.

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

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

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2023 Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2023 Bonds.

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

“Series 2004 A Bonds” means the Issuer’s Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated September 28, 2004, issued in the original aggregate principal amount of $1,885,764.

“Series 2021 A Bonds” means the Issuer’s Water Refunding Revenue Bonds, Series 2021 A (Tax-Exempt), dated March 18, 2021, issued in the original aggregate principal amount of $2,785,000.

"Series 2023 A Bonds" means the Waterworks System Design Revenue Bonds, Series 2023 A (West Virginia DWTRF Program), of the Issuer, authorized by this Ordinance.

"Series 2023 A Bonds Project Trust Fund" means the Series 2023 A Bonds Project Trust Fund established by Section 5.01 hereof.

"Series 2023 A Bonds Reserve Account" means the Series 2023 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2023 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2023 A Bonds in the then current or any succeeding year.

"Series 2023 A Bonds Sinking Fund" means the Series 2023 A Bonds Sinking Fund established by Section 5.02 hereof.

“Series 2023 B Bonds” means the Waterworks System Design Revenue Bonds, Series 2023 B (West Virginia DWTRF Program), of the Issuer, issued concurrently with the Series 2023 A Bonds in the original aggregate principal amount of not to exceed $1,000,000.

“Series 2023 C Bonds” means the Waterworks System Design Revenue Bonds, Series 2023 C (West Virginia DWTRF Program/Forgivable), of the Issuer, issued concurrently with the Series 2023 A Bonds in the original aggregate principal amount of not to exceed $1,000,000.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds and the Series 2023 Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2023 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2023 A Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means, collectively, the complete existing municipal waterworks system of the Issuer, and shall include the Design Project, any additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the Issuer.

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

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neuter gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Mayor, the City Manager or the City Clerk shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Mayor, Acting City Manager, or Acting City Clerk.

ARTICLE II
AUTHORIZATION OF THE DESIGN PROJECT

Section 2.01. Authorization of the Design Project. There is hereby authorized and ordered the Design Project, at an estimated cost of $3,714,000. The proceeds of the Series 2023 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has entered into or will enter into contracts for the Design Project, which are in an amount and otherwise compatible with the financing plan submitted to the Authority and the BPH.

A portion of the cost of the Design Project in an amount not to exceed $2,000,000 will be paid from proceeds of the Series 2023 A Bonds with the remainder to be paid from grant funding or other funds to be provided by the Issuer either pursuant to an equity contribution by the Board, an additional borrowing of the Issuer or a combination thereof.

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2023 A Bonds, if any is to be capitalized, paying Costs of the Design Project not otherwise provided for, funding a reserve fund for the Series 2023 A Bonds, if the same is to be funded from proceeds and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued and delivered to the Authority the negotiable Series 2023 A Bonds of the Issuer. The Series 2023 A Bonds shall be issued as a single bond, designated "Waterworks System Design Revenue Bonds, Series 2023 A (West Virginia DWTRF Program)", in the principal amount of not more than $2,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2023 A Bonds remaining after funding of the Series 2023 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2023 A Bonds, if any, shall be deposited in or credited to the Series 2023 A Bonds Project Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2023 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2023 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2023 A Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2023 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2023 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2023 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest, if any, as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2023 A Bonds shall be executed in the name of the Issuer by the Mayor and the City Manager and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2023 A Bonds shall cease to be such officer of the Issuer before the Series 2023 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2023 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall

hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2023 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2023 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2023 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2023 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2023 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2023 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2023 A Bonds or transferring the registered Series 2023 A Bonds are exercised, all Series 2023 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2023 A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2023 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2023 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2023 A Bonds or, in the case of any proposed redemption of Series 2023 A Bonds, next preceding the date of the selection of Series 2023 A Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2023 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory

indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2023 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2023 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2023 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2023 A Bonds shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operations of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2023 Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2023 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2023 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2023 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2023 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2023 A Bonds.

Section 3.10. Form of Series 2023 A Bonds. The text of the Series 2023 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG
WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $_____

KNOW ALL PERSONS BY THESE PRESENTS: This _____ day of _____, 2023, that the CITY OF CLARKSBURG, a municipal corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20___ to and including _____ 1, 20____, at the rate of 1.0% per annum as set forth on EXHIBIT B attached hereto.

The Administrative Fee of 0.25% (as defined in the hereinafter described Bond Legislation) shall also be payable by the Issuer to the Authority quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20____, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority on behalf of the West Virginia Bureau for Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated _____, 2023.

This Bond is issued (i) to pay a portion of the costs of design and other pre-construction activities of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Design Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Design Project, and any further extensions, additions, betterments or 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 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2023, and a Supplemental Resolution duly adopted by the Issuer on _____, 2023 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED SEPTEMBER 28, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,885,764 (THE “SERIES 2004 A BONDS”); (2) WATER REFUNDING REVENUE BONDS, SERIES 2021 A (TAX-EXEMPT), DATED MARCH 18, 2021, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,785,000 (THE “SERIES 2021 A BONDS” AND, COLLECTIVELY, WITH THE SERIES 2004 A BONDS, THE “PRIOR BONDS”); AND 3) WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 B (WEST VIRGINIA DWTRF PROGRAM) ISSUED CONTEMPORANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ (the “SERIES 2023 B BONDS”).

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2023 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2023 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the 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 so long as the Prior Bonds are outstanding to leave a balance each year to provide such coverage therefore as required by the Prior Ordinances and thereafter 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 on a parity with the Bonds; provided however, that so long as there exists in the Series 2023 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other parity obligations outstanding, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Design 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 required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest, if any, on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____
Mayor

_____
City Manager

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2023 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: _____, 2023.

_____,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $		(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Execution of Loan Agreement. The Series 2023 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor and the City Manager are specifically authorized and directed to approve and execute the Loan Agreement and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule" Filing. Upon completion of the Design Project, the Issuer will file with the Authority and BPH a schedule setting forth the actual costs of the Design Project and sources of funds therefor.

ARTICLE IV
[RESERVED]

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

(2) Renewal and Replacement Fund (established by the Prior Ordinances as the Depreciation Fund and hereby continued);

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

(4) Series 2023 A Bonds Project Trust Fund.

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

(1) Series 2004 A Bonds Sinking Fund (established by the Prior Ordinances);

(2) Series 2004 A Bonds Reserve Account (established by the Prior Ordinances);

(3) Series 2021 A Bonds Sinking Fund (established by the Prior Ordinances);

(a) Within the Series 2021 A Bonds Sinking Fund:

(i) Series 2021 A Bonds Reserve Account (established by the Prior Ordinances); and

(ii) Series 2021 A Bonds Redemption Account (established by the Prior Ordinances.

(4) Series 2023 A Bonds Sinking Fund; and

(5) Series 2023 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. So long as any of the Series 2023 A Bonds shall be Outstanding and unpaid, the Issuer and the Board covenant as follows:

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

(1) The Issuer, through the Board, shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Sinking Funds of the Prior Bonds the amounts required by the Prior Ordinances to pay the interest on the Prior Bonds; and (ii) to the Commission, commencing 4 months prior to the first date of payment of interest on the Series 2023 A Bonds, for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2023 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2023 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2023 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(2) The Issuer, through the Board, shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Sinking Funds of the Prior Bonds the amounts required by the Prior Ordinances to pay the principal of the Prior Bonds; and (ii) to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2023 A Bonds, for deposit in the Series 2023 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2023 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2023 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer, through the Board, shall next, each month, transfer from the Revenue Fund to the Operation and Maintenance Fund an amount sufficient to pay all Operating Expenses of the System.

Monies in the Series 2023 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2023 A Bonds, whether by maturity or redemption prior to maturity. Monies on deposit in the Series 2023 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2023 A Bonds when the funds on deposit in the Series 2023 A Bonds Sinking Fund are insufficient therefore, and for no other purpose. Pending such use, such monies shall be invested in accordance with Article VIII.

The Issuer shall not be required to make any further payments into the Series 2023 A Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2023 A Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2023 A Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2023 A Bonds are issued, provision shall be made for additional deposits into the respective Sinking

Funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The payments into the Series 2023 A Bonds Sinking Fund shall be made on or prior to the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments may be made on the next succeeding Business Day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

(4) The Issuer, through the Board, shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Reserve Accounts of the Prior Bonds the amounts required by the Prior Ordinances; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2023 A Bonds, if not fully funded upon issuance of the Series 2023 A Bonds, for deposit in the Series 2023 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2023 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2023 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2023 A Bonds Reserve Requirement.

Amounts in the Series 2023 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2023 A Bonds when due, when amounts in the Series 2023 A Bonds Sinking Fund are insufficient therefore and for no other purpose.

(5) The Issuer, through the Board, shall next, each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Ordinances, so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, or improvements or extensions to the System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds and accounts as hereinabove provided, the deficiency shall be made up on the next ensuing

payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

(7) The Issuer may next, each month, after making the above required transfers of monies from the Revenue Fund, apply any remaining revenues to payment of debt service on any other subordinate bonds, notes, certificates or other obligations of the System. Any Surplus Revenues then remaining in the Revenue Fund may be used for any lawful purpose of the System.

B. The Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created or continued hereunder, and all amounts required for said Sinking Funds shall be remitted to the Commission from said Revenue Fund and from the proceeds of the sale of the Bonds, by the Issuer through the Board at the times and as otherwise provided herein. All remittances made by the Issuer through the Board to the Commission shall clearly identify the fund or account into which each amount is to be deposited. Notwithstanding the foregoing, however, the Commission shall deposit all remittances in the fund or account in the priority established by this Ordinance.

C. If on any monthly payment date the Gross Revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03 and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

E. Principal and interest payments, and any payments made for the purpose of funding the Reserve Accounts, shall be made on a parity basis and pro-rata, with respect to the Prior Bonds, the Series 2023 A Bonds, the Series 2023 B Bonds and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required hereby.

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

ARTICLE VI
BOND PROCEEDS; DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2023 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2023 A Bonds, there shall first be deposited with the Commission in the Series 2023 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2023 A Bonds for the period commencing on the date of issuance of the Series 2023 A Bonds and ending 6 months after the estimated date of completion of the Design Project.

B. Next, from the proceeds of the Series 2023 A Bonds, there shall be deposited with the Commission in the Series 2023 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2023 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2023 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2023 A Bonds Project Trust Fund and applied solely to payment of costs of the Design Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2023 A Bonds.

D. After completion of the Design Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2023 A Bonds shall be applied as directed by the BPH.

Section 6.02. Disbursements From the Bond Project Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the proceeds of the Series 2023 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for the costs of the Design Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2023 A Bonds Project Trust Fund shall be made only after submission to the BPH of the following: (1) a completed and signed "Payment Requisition Form", a form of which is attached to the Loan Agreement in compliance with the project schedule; and (2) a certificate, signed by an Authorized Officer, stating that:

(A) None of the items for which the payment is proposed to be made has been requested from another source;

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

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

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

Pending such application, monies in the Series 2023 A Bonds Project Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2023 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2023 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2023 A Bonds are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2023 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2023 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2023 A Bonds or the interest, if any, thereon.

Section 7.03. Series 2023 A Bonds Secured by Parity Pledge of Gross Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all of the Series 2023 A Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Gross Revenues derived from the operation of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The payment of the debt service on the Series 2023 A Bonds shall also be secured by the monies in the Series 2023 A Bonds Sinking Fund, including the Series 2023 A Bonds Reserve Account therein. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2023 A Bonds herein authorized, and to make the payments into the Series 2023 A Bonds Sinking Fund, all monies and securities in the Series 2023 A Bonds Sinking Fund, including the Series 2023 A Bonds Reserve Account therein, and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Prior Bonds and the Series 2023 A Bonds herein authorized as the same become due and for the other purposes provided in this Ordinance.

Section 7.04. Rates and Charges. So long as the Series 2023 A Bonds are outstanding, the Board covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Ordinance and in compliance with this Ordinance. In the event the schedule of rates and charges currently in effect for the System shall prove to be insufficient to produce the required sums set forth in this Ordinance, the Board 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 and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Ordinance. The City covenants to take all actions which may be required, necessary or helpful on its part to facilitate the actions of the Board as provided in this paragraph.

Prior to the issuance of the Series 2023 A Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer and at the offices of the Board, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the

prescribed payments into the funds and accounts created hereunder. In compliance with applicable law, such schedule or schedules of rates and charges shall be changed and readjusted, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer and the Board hereby covenant and agree that so long as the Prior Bonds are outstanding, the schedule or schedules of rates and charges from time to time in effect shall be sufficient, together with other revenues of the System, to provide a rate coverage equal to the highest rate coverage required by either (a) the Prior Ordinances or (b) this Ordinance, as herein set forth, and thereafter such rates shall be sufficient, together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2023 A Bonds, and all obligations issued on a parity with the Series 2023 A Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2023 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System.

In the computation provided in the above paragraph, "revenues of the System" shall include increased Net Revenues estimated to be derived from any improvements under construction, and any change in rates enacted by the Board, the time for appeal of which shall have expired (without successful appeal) or such rates have been approved by the Public Service Commission of West Virginia (if required by applicable law) with all requisite appeal periods having expired (without successful appeal), whether or not such approved rates are being charged and collected by the Board.

The Board covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within ninety (90) days following a determination of the Independent Accountant that less than the above required coverage exists or in the event that the annual audit report shows less than the above required coverage, such increase to provide rates and charges sufficient to produce such required coverage. The City covenants to take all actions which may be required, necessary or helpful on its part to facilitate the actions of the Board as provided in this paragraph.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer and the Board shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in the Prior Ordinances. Additionally, so long as the Series 2023 A Bonds are Outstanding, the System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, or to defease the pledge created by this Ordinance and the Prior Ordinances except as provided below. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the respective Sinking Funds, and otherwise as prescribed. Any balance remaining after such defeasance shall be remitted to the Board by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board and the Issuer shall have and hereby reserve the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $500,000, the Issuer and the Board shall, in writing, determine that

such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer and the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $500,000 but not in excess of $5,000,000, the Issuer and the Board shall first, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer and the Board may then by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $500,000 and not in excess of $5,000,000, shall be deposited by the Board into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer or the Board if the proceeds to be derived therefrom shall be in excess of $5,000,000 and insufficient to defease the pledge created by this Ordinance, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer or the Board shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds. All obligations issued by the Issuer after the issuance of the Series 2023 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2023 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2023 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2023 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Additional Parity Bonds, as hereinafter defined in this section, payable out of the revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of the design, acquisition or construction of extensions, additions, betterments or improvements to

the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, or refunding the Prior Bonds, to pay claims which may exist against the revenues or facilities of the System, or all of such purposes.

So long as the Series 2023 A Bonds are Outstanding, no such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Accountant, reciting the conclusion that the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the two Fiscal Years immediately following the Fiscal Year in which such Additional Parity Bonds are issued, if any, shall not be less than 115% of the Maximum Annual Debt Service on the following:

(1) The Bonds then Outstanding;

(2) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances and this Ordinance then Outstanding;

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

The "estimated average increased annual Net Revenues" as that term is used in the computation provided in the above paragraph, shall include increased Net Revenues estimated to be derived from the improvements to be financed by such Additional Parity Bonds, if any, and any change in rates enacted by the Board, the time for appeal of which shall have expired (without successful appeal) or such rates have been approved by the Public Service Commission of West Virginia (if required by applicable law) with the time for all available appeals having expired (without successful appeal) prior to the date of delivery of such Additional Parity Bonds, whether or not such approved rates are being charged and collected by the Board.

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Gross Revenues of the System on a parity with the Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2023 A Bonds, the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the System of which is subject to the prior and superior lien of the Bonds on such Gross Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from Surplus Revenues. The Issuer shall not issue any obligations whatsoever payable from the Gross Revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the circumstances provided in this section, equally, as to lien and source of and security for payment from such Gross Revenues, with the Bonds.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance and the Prior Ordinances on account of the Bonds then Outstanding, if any (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance and the Prior Ordinances shall have been made in full as required to the date of delivery of the Additional Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Ordinance and the Prior Ordinances.

Provided, however, that when the Prior Bonds are no longer outstanding or in the event that the registered owners of the Prior Bonds waive the applicability of certain covenants contained in the Prior Ordinances, if the most recent audit by an independent certified public accountant for the Issuer or the Board for the Fiscal Year immediately preceding the proposed issuance of Additional Parity Bonds states that the Issuer or the Board was not in compliance with the rate covenant in Section 7.04 of this Ordinance for the year being audited and the Board has, as required by Section 7.04, enacted a rate ordinance for which all applicable appeal periods shall have expired (without successful appeal) implementing a rate increase sufficient to comply with Section 7.04, such statement in the most recent audit shall not be considered a violation of the covenants, agreements and terms of this Ordinance, so as to prevent the Issuer from issuing Additional Parity Bonds under this Section 7.07.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of the Design Project. The Issuer shall permit the Authority and the BPH, or their agents and representatives, to inspect all books, documents, papers and records relating to the Design Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the BPH such documents and information as they may reasonably require in connection with the Design Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Design Project.

The Issuer shall permit the Authority and the BPH, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of the Design Project.

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

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

The Issuer shall file with the BPH, the Authority, or any other original purchaser of the Series 2023 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2023 A Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with 2 CFR 200 Subpart F, or any successor thereto), and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2023 A Bonds, and shall submit said report to the BPH and the Authority, or any other original purchaser of the Series 2023 A Bonds. Such audit report submitted to the BPH and the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the Gross Revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

The Issuer shall permit the BPH and the Authority, or their agents and representatives, to enter and inspect the facilities at all reasonable times. Prior to, during and after completion of the Design Project, the Issuer shall also provide the Authority and the BPH, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the BPH and the Authority with respect to the System pursuant to the Act.

The Issuer shall provide the BPH with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit E of the Loan Agreement for the Series 2023 A Bonds or as promulgated from time to time.

Section 7.09. Rates. Prior to the issuance of the Series 2023 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to provide the Gross Revenues equal to not less than the sum required by the Prior Ordinances, so long as the Prior Bonds are outstanding, and thereafter sufficient 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 on a parity with the Bonds including the Prior Bonds; provided however, that so long as there exists in the Series 2023 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the BPH within 30 days of adoption thereof.

Commencing on the date contracts are executed for the Design Project and for two years following the completion of the Design Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, the improvements contemplated by the Design Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the BPH is sufficient to pay the costs of the Design Project, and all permits required by federal and state laws for the Design Project have been obtained or will be obtained prior to the commencement of the work designed.

The Issuer shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Issuer shall employ qualified operating personnel properly certified by the State.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar

circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds.

A. The Issuer hereby covenants and agrees that so long as the Series 2023 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during the Design Project on a 100% basis (completed value form) on the insurable portion of the Design Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKERS' COMPENSATION COVERAGE, for all employees of or for the system eligible therefor; and performance and payment bonds, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions, or improvements for the System in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

B. The Issuer shall require all contractors, if any, engaged in the construction of the Design Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the improvements contemplated by the Design Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of any construction.

The Issuer shall also require all contractors and subcontractors engaged in the construction of the improvements contemplated by the Design Project to carry such worker's compensation coverage for all employees working on the improvements contemplated by the Design Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Design Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the BPH and the Issuer shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling, or building intended to be served by the System to connect thereto.

Section 7.17. Completion, Operation and Maintenance of Project; Permits and Orders. The Issuer shall complete the Design Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards. The Issuer shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2023 A Bonds are outstanding.

The Issuer has obtained all permits required by State and federal laws for the Design Project, all orders and approvals required by State Law necessary for the Design Project and the operation of the System and all approvals for issuance of the Series 2023 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal and the Issuer shall provide an opinion of counsel to such effect.

Section 7.18. Compliance with Loan Agreement and Law.

A. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer shall provide the BPH with copies of all documents submitted to the Authority.

B. The Issuer shall also comply with all applicable federal and state statutes, rules and regulations, the applicable requirements of all Cross Cutter Authorities and all local ordinances issued by the Authority, the BPH or other state, federal or local bodies in regard to the Design Project and the operation, maintenance and use of the System.

C. The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2023 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect

immediately upon delivery of the Series 2023 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

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

Section 7.21. Contracts; Change Orders; Public Releases.

A. The Issuer shall, simultaneously with the delivery of the Series 2023 A Bonds or immediately thereafter, enter into written contracts for the Design Project.

B. The Issuer shall submit all proposed change orders to the BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the Series 2023 A Bonds held in "contingency" as set forth in the schedule attached to the Certificate of Consulting Engineer. The Issuer shall also obtain the written approval of the BPH before expending any proceeds of the Series 2023 A Bonds made available due to project underruns.

C. The Issuer shall list the funding provided by the BPH and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Design Project, including but not limited to any program document distributed in conjunction with any dedication of the Design Project. The Issuer shall provide BPH with appropriate documentation to comply with special conditions regarding public release requirements established by federal and state regulations.

ARTICLE VIII
INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2023 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2023 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate and Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2023 A Bonds as a condition to issuance of the Series 2023 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2023 A Bonds as may be necessary in order to maintain the status of the Series 2023 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2023 A Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the Council or the BPH, as the case may be, from which the proceeds of the Series 2023 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the Council or the BPH, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2023 A Bonds and, at any time, any additional information requested by the Authority.

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2023 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2023 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2023 A Bonds set forth in this Bond Legislation, any Supplemental Resolution or in the Series 2023 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2023 A Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2023 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2023 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2023 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2023 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2023 A Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Design Project, 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 Series 2023 A Bonds, any Registered Owner of a Series 2023 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 Design Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Series 2023 A Bonds and interest, if any, and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Series 2023 A Bonds and interest thereon, if any, and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Series 2023 A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Design Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X
PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2023 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2023 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI
MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2023 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2023 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2023 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2023 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2023 A Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2023 A Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2023 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, or the Series 2023 A Bonds.

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

Section 11.05. Notices. All notices to be sent to the Issuer, the Authority or the BPH shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:
City of Clarksburg
222 W Main Street
Clarksburg, WV 26301
Attention: Mayor

AUTHORITY:
West Virginia Water Development Authority
1009 Bullitt Street
Charleston, West Virginia 25301
Attention: Director

BPH:
West Virginia Bureau for Public Health
350 Capitol Street
Charleston, West Virginia 25301
Attention: Infrastructure and Capacity Development

All notices to be sent to the BPH hereunder, shall also be sent to the Authority.

Section 11.06. Conflicting Provisions Repealed. Except for the Prior Ordinances, all orders, resolutions and ordinances, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided, that in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Manager, City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Exponent Telegram,* a newspaper of general circulation in the City of Clarksburg, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2023 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

[Signature Page to Follow]

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

Passed on First Reading:	March 2, 2023
Passed on Second Reading:	March 16, 2023
Passed on Final Reading Following Public Hearing:	April 6, 2023

CITY OF CLARKSBURG

James Mavros
Mayor

Steve Pulice
City Manager

ATTEST:

Annette Wright
City Clerk

APPROVED AND CORRECT AS TO FORM:

Robert R Mundy
City Attorney

APPROVED:

Paul J. Howe III
President, Clarksburg Water Board

CERTIFICATION

Certified a true copy of a Bond Ordinance enacted April 6, 2023 by the Council of the CITY OF CLARKSBURG and supplemented by Supplemental Resolution adopted April 6, 2023 which Bond Ordinance was adopted in accordance with the laws of the State of West Virginia and the Rules of Procedure of the City and which has not been amended in any respect and remains in full force and effect as of the date hereof.

Dated: April 25, 2023.

[SEAL]

Annette L. Wright
City Clerk

CITY OF CLARKSBURG

WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 B (WEST VIRGINIA DWTRF PROGRAM)

and

WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 C (WEST VIRGINIA DWTRF PROGRAM/FORGIVABLE)

BOND ORDINANCE

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CITY OF CLARKSBURG

ORDINANCE AUTHORIZING DESIGN AND OTHER PRECONSTRUCTION ACTIVITIES RELATING TO THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 B (WEST VIRGINIA DWTRF PROGRAM); NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 C (WEST VIRGINIA DWTRF PROGRAM/FORGIVABLE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF CLARKSBURG.

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a municipal waterworks treatment and distribution system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing public waterworks system of the Issuer consisting of the replacement of lead water distribution and service lines (the design and other preconstruction activities for which are referred to herein as the "Design Project") (the existing public waterworks system of the Issuer, the

aforementioned improvements contemplated by the Design Project and any further extensions, additions, betterments and improvements thereto are herein called the "System").

C. The Issuer intends to permanently finance the costs of the Design Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Drinking Water Treatment Revolving Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its (i) Waterworks System Design Revenue Bonds, Series 2023 B (West Virginia DWTRF Program), in the total aggregate principal amount of not more than $1,000,000 (the "Series 2023 B Bonds"), to be initially represented by a single bond, to permanently finance a portion of the costs of the Design Project, and (ii) Waterworks System Design Revenue Bonds, Series 2023 C (West Virginia DWTRF Program/Forgivable), in the total aggregate principal amount of not more than $1,000,000 (the "Series 2023 C Bonds"), to be initially represented by a single bond, to permanently finance a portion of the costs of the Design Project. The remainder of the costs of the Design Project shall be as set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2023 B Bonds prior to and during the Design Project and for a period not exceeding 6 months after completion of the Design Project; amounts which may be deposited in the Series 2023 B Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2023 B Bonds or the Series 2023 C Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2023 B Bonds or the Series 2023 C Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Design Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Design Project is not less than 40 years.

F. It is in the best interests of the Issuer that its Series 2023 B Bonds and its Series 2023 C Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Bureau for Public Health (the "BPH"), in form satisfactory to the Issuer, the Authority and the BPH (the "Loan Agreement").

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2023 B Bonds and the Series 2023 C Bonds as to liens, pledge, source of and security for payment, as follows:

(1) Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated September 28, 2004, issued in the original aggregate principal amount of $1,885,764 (the "Series 2004 A Bonds"); and,

(2) Water Refunding Revenue Bonds, Series 2021 A (Tax-Exempt), dated March 18, 2021, issued in the original aggregate principal amount of $2,785,000 (the "Series 2021 A Bonds" and collectively with the Series 2004 A Bonds, the "Prior Bonds"); and

(3) Waterworks System Design Revenue Bonds, Series 2023 A (West Virginia DWTRF Program) issued contemporaneously herewith in the aggregate principal amount of not more than $2,000,000 (the "Series 2023 A Bonds").

The Series 2023 A Bonds, Series 2023 B Bonds, and Series 2023 C Bonds shall be collectively referred to herein as the Series 2023 Bonds.

The Series 2023 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2023 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the registered owners of the Series 2004 A Bonds to the issuance of the Series 2023 Bonds on a parity with the Prior Bonds (the Series 2021 A Bonds do not require consent). Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Design Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Prior Bonds and the Series 2023 Bonds and payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the Design Project, the operation of the System and issuance of the Series 2023 Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Design Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council (the "Council").

J. The Design Project has been reviewed and determined to be technically and financially feasible by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2023 B Bonds and the Series 2023 C Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the Series 2023 B Bonds.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2023 B Bonds and the Series 2023 C

Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the BPH under the Act.

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

“BIL” means the Infrastructure Investment and Jobs Act, Public Law 117-58, pursuant to which funding has been awarded to BPH, as hereinafter defined.

“Board” means the Clarksburg Water Board existing under Section 25 of the charter of the City of Clarksburg and having powers and duties as set forth in Section 27 of such charter.

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

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

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

"Bonds" means, collectively, the Series 2023 Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

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

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2023 B Bonds and the Series 2023 C Bonds for all or a portion of the proceeds of the Series 2023 B Bonds or Series 2023 C Bonds from the Authority.

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

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

"Consulting Engineers" means the Thrasher Group, Bridgeport, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting

Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

"Costs" or "Costs of the Design Project" means those costs described in Section 1.02D hereof to be a part of the cost of the Design Project.

“Cross Cutter Authorities” means federal laws and authorities that apply by their terms to projects or activities receiving federal assistance.

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

"Design Project" means the Design Project as described in Section 1.02B hereof.

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

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

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

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

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

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

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

"Issuer" means the City of Clarksburg, a municipal corporation and political subdivision of the State of West Virginia, in Harrison County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer and includes the Board.

"Loan Agreement" means, the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the BPH, providing for the purchase of the Series 2023 B Bonds and the Series 2023 C Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

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

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

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

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

"Parity Bonds" means additional Bonds issued on a parity with the Series 2023 Bonds and the Prior Bonds under the provisions and within the limitations prescribed by Section 7.07 hereof.

"Paying Agent" means the Commission, or such other entity or authority as may be designated as a Paying Agent for the Series 2023 B Bonds by the Issuer in the Supplemental Resolution.

"Prior Bonds" means the Series 2004 A Bonds and the Series 2021 A Bonds.

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

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

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2023 Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2023 Bonds.

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

“Series 2004 A Bonds” means the Issuer’s Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated September 28, 2004, issued in the original aggregate principal amount of $1,885,764.

“Series 2021 A Bonds” means the Issuer’s Water Refunding Revenue Bonds, Series 2021 A (Tax-Exempt), dated March 18, 2021, issued in the original aggregate principal amount of $2,785,000.

“Series 2023 Bonds” means, collectively, the Series 2023 A Bonds, the Series 2023 B Bonds and the Series 2023 C Bonds.

"Series 2023 A Bonds" means the Waterworks System Design Revenue Bonds, Series 2023 A (West Virginia DWTRF Program), of the Issuer, issued currently with the Series 2023 B Bonds and the Series 2023 C Bonds in an original aggregate principal amount not to exceed $2,000,000.

“Series 2023 B Bonds” means the Waterworks System Design Revenue Bonds, Series 2023 B (West Virginia DWTRF Program), of the Issuer, authorized to be issued by this Ordinance in the original aggregate principal amount not to exceed $1,000,000.

"Series 2023 B Bonds Project Trust Fund" means the Series 2023 B Bonds Project Trust Fund established by Section 5.01 hereof.

"Series 2023 B Bonds Reserve Account" means the Series 2023 B Bonds Reserve Account established by Section 5.02 hereof.

"Series 2023 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2023 B Bonds in the then current or any succeeding year.

"Series 2023 B Bonds Sinking Fund" means the Series 2023 B Bonds Sinking Fund established by Section 5.02 hereof.

“Series 2023 C Bonds” means the Waterworks System Design Revenue Bonds, Series 2023 C (West Virginia DWTRF Program/Forgivable), of the Issuer, authorized to be issued by this Ordinance in an aggregate principal amount not to exceed $1,000,000.

"Series 2023 C Bonds Project Trust Fund" means the Series 2023 C Bonds Project Trust Fund established by Section 5.01 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds and the Series 2023 Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2023 B Bonds and the Series 2023 C Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2023 B Bonds or Series 2023 C Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means, collectively, the complete existing municipal waterworks system of the Issuer, and shall include the Design Project, any additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the Issuer.

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

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neuter gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Mayor, the City Manager or the City Clerk shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Mayor, Acting City Manager, or Acting City Clerk.

ARTICLE II
AUTHORIZATION OF THE DESIGN PROJECT

Section 2.01. Authorization of the Design Project. There is hereby authorized and ordered the Design Project, at an estimated cost of $3,714,000. The proceeds of the Series 2023 B Bonds and the Series 2023 C Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has entered into or will enter into contracts for the Design Project, which are in an amount and otherwise compatible with the financing plan submitted to the Authority and the BPH.

A portion of the cost of the Design Project in an amount not to exceed $1,000,000 will be paid from proceeds of the Series 2023 B Bonds and a portion of the cost of the Design Project in an amount not to exceed $1,000,000 will be paid from proceeds of the Series 2023 C Bonds, with the remainder to be paid either from grant funding or other funds to be provided by the Issuer either pursuant to an equity contribution by the Board, an additional borrowing of the Issuer or a combination thereof.

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2023 B Bonds, if any is to be capitalized, paying Costs of the Design Project not otherwise provided for, funding a reserve fund for the Series 2023 B Bonds, if the same is to be funded from proceeds and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued and delivered to the Authority the negotiable Series 2023 B Bonds and the Series 2023 C Bonds of the Issuer. The Series 2023 B Bonds shall be issued as a single bond, designated "Waterworks System Design Revenue Bonds, Series 2023 B (West Virginia DWTRF Program)", in the principal amount of not more than $1,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2023 B Bonds remaining after funding of the Series 2023 B Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2023 B Bonds, if any, shall be deposited in or credited to the Series 2023 B Bonds Project Trust Fund established by Section 5.01 hereof. The Series 2023 C Bonds shall be issued as a single bond, designated "Waterworks System Design Revenue Bonds, Series 2023 C (West Virginia DWTRF Program/Forgivable)", in the principal amount of not more than $1,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2023 C Bonds shall be deposited into the Series 2023 C Bonds Project Trust Fund.

Section 3.02. Terms of Bonds. A. The Series 2023 B Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2023 B Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2023 B Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2023 B Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2023 B Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2023 B Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest, if any, as set forth in a Supplemental Resolution.

B. The Series 2023 C Bonds shall be issued in such principal amount as provided in the Supplemental Resolution but shall not bear interest. The principal amounts advanced under the Series 2023 C Bonds shall be deemed forgiven on the 30th day of June in the fiscal year which advanced. The Series 2023 C Bonds shall be no longer Outstanding after the last advance is forgiven.

Unless otherwise provided by the Supplemental Resolution, the Series 2023 C Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances attached, representing the aggregate principal amount of the Series 2023 C Bonds. The Series 2023 C Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest, if any, as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2023 B Bonds and the Series 2023 C Bonds shall be executed in the name of the Issuer by the Mayor and the City Manager and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2023 B Bonds and the Series 2023 C Bonds shall cease to be such officer of the Issuer before the Series 2023 B Bonds and the Series 2023 C Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2023 B Bonds and Series 2023 C Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2023 B Bonds or Series 2023 C Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2023 B Bond or Series 2023 C Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2023 B Bonds and the Series 2023 C Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2023 B Bonds and the Series 2023 C Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2023 B Bonds or the Series 2023 C Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2023 B Bonds and Series 2023 C Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2023 B Bonds or the Series 2023 C Bonds or transferring the registered Series 2023 B Bonds or the Series 2023 C Bonds are exercised, all Series 2023 B Bonds or Series 2023 C Bonds, as applicable, shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2023 B Bonds or Series 2023 C Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2023 B Bonds or Series 2023 C Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2023 B Bonds or Series 2023 C Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2023 B Bonds or Series 2023 B Bonds, as applicable, or, in the case of any proposed redemption of Series 2023 B Bonds or Series 2023 B Bonds, next preceding the date of the selection of Series 2023 B Bonds or Series 2023 C Bonds, as applicable, to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2023 B Bonds or Series 2023 C Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2023 B Bonds and the Series 2023 C Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but the Series 2023 B Bonds shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2023 B Bonds or Series 2023 C Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay such Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2023 B Bonds shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operations of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2023 Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2023 B Bonds and the Series 2023 C Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2023 B Bonds and the Series 2023 C Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2023 B Bonds and the Series 2023 C Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2023 B Bonds and the Series 2023 C Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel with respect to the Series 2023 B Bonds and the Series 2023 C Bonds.

Section 3.10. Form of Bonds. The text of the Series 2023 B Bonds and the Series 2023 C Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG
WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 B
(WEST VIRGINIA DWTRF PROGRAM)

No. BR-1 $_____

KNOW ALL PERSONS BY THESE PRESENTS: This _____ day of _____, 2023, that the CITY OF CLARKSBURG, a municipal corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20___ to and including _____ 1, 20____, at the rate of 0.0% per annum as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority on behalf of the West Virginia Bureau for Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated _____, 2023.

This Bond is issued (i) to pay a portion of the costs of design and other pre-construction activities of certain additions, betterments and improvements to the existing public waterworks system of the Issuer consisting of replacement of water distribution and service lines containing lead (the "Design Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Design Project, and any further extensions, additions, betterments or 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 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2023, and a Supplemental Resolution duly adopted by the Issuer on _____,

2023 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED SEPTEMBER 28, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,885,764 (THE "SERIES 2004 A BONDS"); (2) WATER REFUNDING REVENUE BONDS, SERIES 2021 A (TAX-EXEMPT), DATED MARCH 18, 2021, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,785,000 (THE "SERIES 2021 A BONDS" AND, COLLECTIVELY, WITH THE SERIES 2004 A BONDS, THE "PRIOR BONDS"); AND (3) WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A (WEST VIRGINIA DWTRF PROGRAM) ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____.

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2023 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2023 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the 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 so long as the Prior Bonds are outstanding to leave a balance each year to provide such coverage therefore as required by the Prior Ordinances and thereafter 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 on a parity with the Bonds; provided however, that so long as there exists in the Series 2023 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other parity obligations outstanding, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Design 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 required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest, if any, on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____
Mayor

_____
City Manager

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2023 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2023.

_____,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $		(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG
WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 C
(WEST VIRGINIA DWTRF PROGRAM/FORGIVABLE)

No. CR-1 $_____

KNOW ALL PERSONS BY THESE PRESENTS: This _____ day of _____, 2023, that the CITY OF CLARKSBURG, a municipal corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference. The Series 2023 C Bonds are not subject to the Administrative Fee (as defined in the hereinafter described Bond Legislation).

This Bond shall bear no interest. The principal amounts advanced under the Series 2023 C Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2023 C Bonds shall be deemed no longer Outstanding after the last advance is forgiven.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority on behalf of the West Virginia Bureau for Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated _____, 2023.

This Bond is issued (i) to pay a portion of the costs of design and other pre-construction activities of certain additions, betterments and improvements to the existing public waterworks system of the Issuer consisting of replacement of water distribution and service lines containing lead (the "Design Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Design Project, and any further extensions, additions, betterments or 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 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2023, and a Supplemental Resolution duly adopted by the Issuer on _____, 2023 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Design 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 required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest, if any, on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____
Mayor

_____
City Manager

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2023 C Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2023.

_____,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $		(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Execution of Loan Agreement. The Series 2023 B Bonds and the Series 2023 C Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor and the City Manager are specifically authorized and directed to approve and execute the Loan Agreement and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule" Filing. Upon completion of the Design Project, the Issuer will file with the Authority and BPH a schedule setting forth the actual costs of the Design Project and sources of funds therefor.

ARTICLE IV
[RESERVED]

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

(2) Renewal and Replacement Fund (established by the Prior Ordinances as the Depreciation Fund and hereby continued);

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

(4) Series 2023 B Bonds Project Trust Fund; and

(5) Series 2023 C Bonds Project Trust Fund.

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

(1) Series 2004 A Bonds Sinking Fund (established by the Prior Ordinances);

(2) Series 2004 A Bonds Reserve Account (established by the Prior Ordinances);

(3) Series 2021 A Bonds Sinking Fund (established by the Prior Ordinances);

(a) Within the Series 2021 A Bonds Sinking Fund:

(i) Series 2021 A Bonds Reserve Account (established by the Prior Ordinances); and

(ii) Series 2021 A Bonds Redemption Account (established by the Prior Ordinances.

(4) Series 2023 B Bonds Sinking Fund; and

(5) Series 2023 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. So long as any of the Series 2023 B Bonds shall be Outstanding and unpaid, the Issuer and the Board covenant as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer through the Board in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Board and the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Gross Revenues

at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer, through the Board, shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Sinking Funds of the Prior Bonds the amounts required by the Prior Ordinances to pay the interest on the Prior Bonds; and (ii) to the Commission, commencing 4 months prior to the first date of payment of interest on the Series 2023 B Bonds, for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2023 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2023 B Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2023 B Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(2) The Issuer, through the Board, shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Sinking Funds of the Prior Bonds the amounts required by the Prior Ordinances to pay the principal of the Prior Bonds; and (ii) to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2023 B Bonds, for deposit in the Series 2023 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2023 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2023 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer, through the Board, shall next, each month, transfer from the Revenue Fund to the Operation and Maintenance Fund an amount sufficient to pay all Operating Expenses of the System.

Monies in the Series 2023 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2023 B Bonds, whether by maturity or redemption prior to maturity. Monies on deposit in the Series 2023 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2023 B Bonds when the funds on deposit in the Series 2023 B Bonds Sinking Fund are insufficient therefore, and for no other purpose. Pending such use, such monies shall be invested in accordance with Article VIII.

The Issuer shall not be required to make any further payments into the Series 2023 B Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2023 B Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2023 B Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2023 B Bonds are issued, provision shall be made for additional deposits into the respective Sinking Funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The payments into the Series 2023 B Bonds Sinking Fund shall be made on or prior to the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments may be made on the next succeeding Business Day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

(4) The Issuer, through the Board, shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Reserve Accounts of the Prior Bonds the amounts required by the Prior Ordinances; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2023 B Bonds, if not fully funded upon issuance of the Series 2023 B Bonds, for deposit in the Series 2023 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2023 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2023 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2023 B Bonds Reserve Requirement.

Amounts in the Series 2023 B Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2023 B Bonds when due, when amounts in the Series 2023 B Bonds Sinking Fund are insufficient therefore and for no other purpose.

(5) The Issuer, through the Board, shall next, each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Ordinances, so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, or improvements or extensions to the System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds and accounts as

hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

(7) The Issuer may next, each month, after making the above required transfers of monies from the Revenue Fund, apply any remaining revenues to payment of debt service on any other subordinate bonds, notes, certificates or other obligations of the System. Any Surplus Revenues then remaining in the Revenue Fund may be used for any lawful purpose of the System.

B. The Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created or continued hereunder, and all amounts required for said Sinking Funds shall be remitted to the Commission from said Revenue Fund and from the proceeds of the sale of the Bonds, by the Issuer through the Board at the times and as otherwise provided herein. All remittances made by the Issuer through the Board to the Commission shall clearly identify the fund or account into which each amount is to be deposited. Notwithstanding the foregoing, however, the Commission shall deposit all remittances in the fund or account in the priority established by this Ordinance.

C. If on any monthly payment date the Gross Revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03 and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

E. Principal and interest payments, and any payments made for the purpose of funding the Reserve Accounts, shall be made on a parity basis and pro-rata, with respect to the Prior Bonds, the Series 2023 B Bonds and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required hereby.

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

ARTICLE VI
BOND PROCEEDS; DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2023 B Bonds and the Series 2023 C Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2023 B Bonds, there shall be deposited with the Commission in the Series 2023 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2023 B Bonds Reserve Account.

B. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2023 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2023 B Bonds Project Trust Fund and applied solely to payment of costs of the Design Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2023 B Bonds.

C. As the Issuer receives advances of the monies derived from the sale of the Series 2023 C Bonds, such monies shall be deposited with the Depository Bank in the Series 2023 C Bonds Project Trust Fund and applied solely to payment of costs of the Design Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2023 C Bonds.

D. After completion of the Design Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2023 B Bonds and the Series 2023 C Bonds shall be applied as directed by the BPH.

Section 6.02. Disbursements From the Bond Project Trust Funds. A. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the proceeds of the Series 2023 B Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for the costs of the Design Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2023 B Bonds Project Trust Fund shall be made only after submission to the BPH of the following: (1) a completed and signed "Payment Requisition Form", a form of which is attached to the Loan Agreement in compliance with the project schedule; and (2) a certificate, signed by an Authorized Officer, stating that:

(A) None of the items for which the payment is proposed to be made has been requested from another source;

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

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

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

Pending such application, monies in the Series 2023 B Bonds Project Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

B. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the proceeds of the Series 2023 C Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for the costs of the Design Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2023 C Bonds Project Trust Fund shall be made only after submission to the BPH of the following: (1) a completed and signed "Payment Requisition Form", a form of which is attached to the Loan Agreement in compliance with the project schedule; and (2) a certificate, signed by an Authorized Officer, stating that:

(A) None of the items for which the payment is proposed to be made has been requested from another source;

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

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

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

Pending such application, monies in the Series 2023 C Bonds Project Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2023 B Bonds and the Series 2023 C Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2023 B Bonds and the Series 2023 C Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2023 B Bonds and the Series 2023 C Bonds are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2023 B Bonds and the Series 2023 C Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2023 B Bonds or Series 2023 C Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay such Bonds or the interest, if any, thereon.

Section 7.03. Series 2023 B Bonds Secured by Parity Pledge of Gross Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all of the Series 2023 B Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Gross Revenues derived from the operation of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The payment of the debt service on the Series 2023 B Bonds shall also be secured by the monies in the Series 2023 B Bonds Sinking Fund, including the Series 2023 B Bonds Reserve Account therein. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2023 B Bonds herein authorized, and to make the payments into the Series 2023 B Bonds Sinking Fund, all monies and securities in the Series 2023 B Bonds Sinking Fund, including the Series 2023 B Bonds Reserve Account therein, and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Prior Bonds and the Series 2023 B Bonds herein authorized as the same become due and for the other purposes provided in this Ordinance.

Section 7.04. Rates and Charges. So long as the Series 2023 B Bonds are outstanding, the Board covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Ordinance and in compliance with this Ordinance. In the event the schedule of rates and charges currently in effect for the System shall prove to be insufficient to produce the required sums set forth in this Ordinance, the Board 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 and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Ordinance. The City covenants to take all actions which may be required, necessary or helpful on its part to facilitate the actions of the Board as provided in this paragraph.

Prior to the issuance of the Series 2023 B Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer and at the offices of the Board, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. In compliance with applicable law,

such schedule or schedules of rates and charges shall be changed and readjusted, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer and the Board hereby covenant and agree that so long as the Prior Bonds are outstanding, the schedule or schedules of rates and charges from time to time in effect shall be sufficient, together with other revenues of the System, to provide a rate coverage equal to the highest rate coverage required by either (a) the Prior Ordinances or (b) this Ordinance, as herein set forth, and thereafter such rates shall be sufficient, together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2023 B Bonds, and all obligations issued on a parity with the Series 2023 B Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2023 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System.

In the computation provided in the above paragraph, "revenues of the System" shall include increased Net Revenues estimated to be derived from any improvements under construction, and any change in rates enacted by the Board, the time for appeal of which shall have expired (without successful appeal) or such rates have been approved by the Public Service Commission of West Virginia (if required by applicable law) with all requisite appeal periods having expired (without successful appeal), whether or not such approved rates are being charged and collected by the Board.

The Board covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within ninety (90) days following a determination of the Independent Accountant that less than the above required coverage exists or in the event that the annual audit report shows less than the above required coverage, such increase to provide rates and charges sufficient to produce such required coverage. The City covenants to take all actions which may be required, necessary or helpful on its part to facilitate the actions of the Board as provided in this paragraph.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer and the Board shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in the Prior Ordinances. Additionally, so long as the Series 2023 B Bonds or the Series 2023 C Bonds are Outstanding, the System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, or to defease the pledge created by this Ordinance and the Prior Ordinances except as provided below. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the respective Sinking Funds, and otherwise as prescribed. Any balance remaining after such defeasance shall be remitted to the Board by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board and the Issuer shall have and hereby reserve the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $500,000, the Issuer and the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation

thereof, and the Issuer and the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $500,000 but not in excess of $5,000,000, the Issuer and the Board shall first, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer and the Board may then by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $500,000 and not in excess of $5,000,000, shall be deposited by the Board into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer or the Board if the proceeds to be derived therefrom shall be in excess of $5,000,000 and insufficient to defease the pledge created by this Ordinance, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer or the Board shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds. All obligations issued by the Issuer after the issuance of the Series 2023 B Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2023 B Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2023 B Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2023 B Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Additional Parity Bonds, as hereinafter defined in this section, payable out of the revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of the design, acquisition or construction of extensions, additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, or refunding

the Prior Bonds, to pay claims which may exist against the revenues or facilities of the System, or all of such purposes.

So long as the Series 2023 B Bonds are Outstanding, no such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Accountant, reciting the conclusion that the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the two Fiscal Years immediately following the Fiscal Year in which such Additional Parity Bonds are issued, if any, shall not be less than 115% of the Maximum Annual Debt Service on the following:

(1) The Bonds then Outstanding;

(2) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances and this Ordinance then Outstanding;

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

The "estimated average increased annual Net Revenues" as that term is used in the computation provided in the above paragraph, shall include increased Net Revenues estimated to be derived from the improvements to be financed by such Additional Parity Bonds, if any, and any change in rates enacted by the Board, the time for appeal of which shall have expired (without successful appeal) or such rates have been approved by the Public Service Commission of West Virginia (if required by applicable law) with the time for all available appeals having expired (without successful appeal) prior to the date of delivery of such Additional Parity Bonds, whether or not such approved rates are being charged and collected by the Board.

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Gross Revenues of the System on a parity with the Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2023 B Bonds, the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the System of which is subject to the prior and superior lien of the Bonds on such Gross Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from Surplus Revenues. The Issuer shall not issue any obligations whatsoever payable from the Gross Revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the circumstances provided in this section, equally, as to lien and source of and security for payment from such Gross Revenues, with the Bonds.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance and the Prior Ordinances on account of the Bonds then Outstanding, if any (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance and the Prior Ordinances shall have been made in full as required to the date of delivery of the Additional Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Ordinance and the Prior Ordinances.

Provided, however, that when the Prior Bonds are no longer outstanding or in the event that the registered owners of the Prior Bonds waive the applicability of certain covenants contained in the Prior Ordinances, if the most recent audit by an independent certified public accountant for the Issuer or the Board for the Fiscal Year immediately preceding the proposed issuance of Additional Parity Bonds states that the Issuer or the Board was not in compliance with the rate covenant in Section 7.04 of this Ordinance for the year being audited and the Board has, as required by Section 7.04, enacted a rate ordinance for which all applicable appeal periods shall have expired (without successful appeal) implementing a rate increase sufficient to comply with Section 7.04, such statement in the most recent audit shall not be considered a violation of the covenants, agreements and terms of this Ordinance, so as to prevent the Issuer from issuing Additional Parity Bonds under this Section 7.07.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of the Design Project. The Issuer shall permit the Authority and the BPH, or their agents and representatives, to inspect all books, documents, papers and records relating to the Design Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the BPH such documents and information as they may reasonably require in connection with the Design Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Design Project.

The Issuer shall permit the Authority and the BPH, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of the Design Project.

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

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

The Issuer shall file with the BPH, the Authority, or any other original purchaser of the Series 2023 B Bonds, and shall mail in each year to any Holder or Holders of the Series 2023 B Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with 2 CFR 200 Subpart F, or any successor thereto), and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2023 B Bonds, and shall submit said report to the BPH and the Authority, or any other original purchaser of the Series 2023 B Bonds. Such audit report submitted to the BPH and the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the Gross Revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

The Issuer shall permit the BPH and the Authority, or their agents and representatives, to enter and inspect the facilities at all reasonable times. Prior to, during and after completion of the Design Project, the Issuer shall also provide the Authority and the BPH, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the BPH and the Authority with respect to the System pursuant to the Act.

The Issuer shall provide the BPH with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit E of the Loan Agreement for the Series 2023 B Bonds and the Series 2023 C Bonds or as promulgated from time to time.

Section 7.09. Rates. Prior to the issuance of the Series 2023 B Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to provide the Gross Revenues equal to not less than the sum required by the Prior Ordinances, so long as the Prior Bonds are outstanding, and thereafter sufficient 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 on a parity with the Bonds including the Prior Bonds; provided however, that so long as there exists in the Series 2023 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding, including the Prior Bonds, an amount at least equal to the requirement therefor,

such percentage may be reduced to 110%. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the BPH within 30 days of adoption thereof.

Commencing on the date contracts are executed for the Design Project and for two years following the completion of the Design Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, the improvements contemplated by the Design Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the BPH is sufficient to pay the costs of the Design Project, and all permits required by federal and state laws for the Design Project have been obtained or will be obtained prior to the commencement of the work designed.

The Issuer shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Issuer shall employ qualified operating personnel properly certified by the State.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

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

Section 7.15. Insurance and Construction Bonds.

A. The Issuer hereby covenants and agrees that so long as the Series 2023 B Bonds and the Series 2023 C Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during the Design Project on a 100% basis (completed value form) on the insurable portion of the Design Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKERS' COMPENSATION COVERAGE, for all employees of or for the system eligible therefor; and performance and payment bonds, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions, or improvements for the System in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

B. The Issuer shall require all contractors, if any, engaged in the construction of the Design Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the improvements contemplated by the Design Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of any construction.

The Issuer shall also require all contractors and subcontractors engaged in the construction of the improvements contemplated by the Design Project to carry such worker's compensation coverage for all employees working on the improvements contemplated by the Design Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Design Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the BPH and the Issuer shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling, or building intended to be served by the System to connect thereto.

Section 7.17. Completion, Operation and Maintenance of Project; Permits and Orders. The Issuer shall complete the Design Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards. The Issuer shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2023 B Bonds and the Series 2023 C Bonds are outstanding.

The Issuer has obtained all permits required by State and federal laws for the Design Project, all orders and approvals required by State Law necessary for the Design Project and the operation of the System and all approvals for issuance of the Series 2023 B Bonds and the Series 2023 C Bonds required by State law, with all requisite appeal periods having expired without successful appeal and the Issuer shall provide an opinion of counsel to such effect.

Section 7.18. Compliance with Loan Agreement and Law.

A. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer shall provide the BPH with copies of all documents submitted to the Authority.

B. The Issuer shall also comply with all applicable federal and state statutes, rules and regulations, the applicable requirements of all Cross Cutter Authorities and all local ordinances issued by the Authority, all federal requirements imposed by BIL, the BPH or other state, federal or local bodies in regard to the Design Project and the operation, maintenance and use of the System.

C. The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2023 B Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Series 2023 B Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

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

Section 7.21. Contracts; Change Orders; Public Releases.

A. The Issuer shall, simultaneously with the delivery of the Series 2023 B Bonds and the Series 2023 C Bonds or immediately thereafter, enter into written contracts for the Design Project.

B. The Issuer shall submit all proposed change orders to the BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the Series 2023 B Bonds or the Series 2023 C Bonds held in "contingency" as set forth in the schedule attached to the Certificate of Consulting Engineer. The Issuer shall also obtain the written approval of the BPH before expending any proceeds of the Series 2023 B Bonds or the Series 2023 C Bonds made available due to project underruns.

C. The Issuer shall list the funding provided by the BPH and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Design Project, including but not limited to any program document distributed in conjunction with any dedication of the Design Project. The Issuer shall provide BPH with appropriate documentation to comply with special conditions regarding public release requirements established by federal and state regulations.

ARTICLE VIII
INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2023 B Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2023 B Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate and Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2023 B Bonds and the Series 2023 C Bonds as a condition to issuance of such Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2023 B Bonds and the Series 2023 C Bonds as may be necessary in order to maintain the status of such Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2023 B Bonds and the Series 2023 C Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the Council or the BPH, as the case may be, from which the proceeds of the Series 2023 B Bonds or the Series 2023 C Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the Council or the BPH, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2023 B Bonds and the Series 2023 C Bonds and, at any time, any additional information requested by the Authority.

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2023 B Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2023 B Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2023 B Bonds set forth in this Bond Legislation, any Supplemental Resolution or in the Series 2023 B Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2023 B Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2023 B Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2023 B Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2023 B Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2023 B Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2023 B Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Design Project, 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 Series 2023 B Bonds, any Registered Owner of a Series 2023 B 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 Design Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Series 2023 B Bonds and interest, if any, and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Series 2023 B Bonds and interest thereon, if any, and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Series 2023 B Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Design Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X
PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2023 B Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2023 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI
MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2023 B Bonds or the Series 2023 C Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2023 B Bonds or the Series 2023 C Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2023 B Bonds or the Registered Owners of the Series 2023 C Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2023 B Bonds or the Registered Owners of the Series 2023 C Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2023 B Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2023 B Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2023 B Bonds and the Series 2023 C Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, the Series 2023 B Bonds, or the Series 2023 C Bonds.

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

Section 11.05. Notices. All notices to be sent to the Issuer, the Authority or the BPH shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:
City of Clarksburg
222 W Main Street
Clarksburg, WV 26301
Attention: City Manager

AUTHORITY:
West Virginia Water Development Authority
1009 Bullitt Street
Charleston, West Virginia 25301
Attention: Director

BPH:
West Virginia Bureau for Public Health
350 Capitol Street
Charleston, West Virginia 25301
Attention: Infrastructure and Capacity Development

All notices to be sent to the BPH hereunder, shall also be sent to the Authority.

Section 11.06. Conflicting Provisions Repealed. Except for the Prior Ordinances, all orders, resolutions and ordinances, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided, that in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Manager, City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Exponent Telegram*, a newspaper of general circulation in the City of Clarksburg, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2023 B Bonds and the Series 2023 C Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

[Signature Page to Follow]

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

Passed on First Reading:	March 2, 2023
Passed on Second Reading:	March 16, 2023
Passed on Final Reading Following Public Hearing:	April 6, 2023

CITY OF CLARKSBURG

James F Marino

Mayor

Steve Pulice

City Manager

ATTEST:

Annette Wright

City Clerk

APPROVED AND CORRECT AS TO FORM:

Richard R Marsh

City Attorney

APPROVED:

Paul J. Howe IV

President, Clarksburg Water Board

CERTIFICATION

Certified a true copy of a Bond Ordinance enacted April 6, 2023 by the Council of the CITY OF CLARKSBURG and supplemented by Supplemental Resolution adopted April 6, 2023 which Bond Ordinance was adopted in accordance with the laws of the State of West Virginia and the Rules of Procedure of the City and which has not been amended in any respect and remains in full force and effect as of the date hereof.

Dated: April 25, 2023.

[SEAL]

Annette Wright
City Clerk

CITY OF CLARKSBURG

Waterworks System Design Revenue Bonds, Series 2023 A
(West Virginia DWTRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A (WEST VIRGINIA DWTRF PROGRAM), OF THE CITY OF CLARKSBURG; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the City of Clarksburg (the "Issuer") has duly and officially enacted a bond ordinance, effective April 6, 2023 (the "Bond Ordinance" or the "Ordinance"), entitled:

ORDINANCE AUTHORIZING DESIGN AND OTHER PRECONSTRUCTION ACTIVITIES RELATING TO THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Waterworks System Design Revenue Bonds, Series 2023 A (West Virginia DWTRF Program), of the Issuer (the "Series 2023 A Bonds"), in the aggregate principal amount not to exceed $2,000,000 and has authorized the execution and delivery of the loan agreement relating to the Series 2023 A Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH") (the "Loan Agreement"), all in accordance with Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Series 2023 A Bonds should be established by a supplemental resolution pertaining to the Series 2023 A Bonds; and that other matters relating to the Series 2023 A Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Series 2023 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates, the sale price and other terms of the Series 2023 A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2023 A Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Waterworks System Design Revenue Bonds, Series 2023 A (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,632,223. The Series 2023 A Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2053 and shall bear interest at the rate of 1.0% per annum, with principal and interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2023, to and including December 1, 2053, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2023 A Bonds. The Series 2023 A Bonds shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2023 A Bonds. The Issuer does hereby approve and shall pay the Administrative Fee equal to 0.25% of the principal amount of the Series 2023 A Bonds set forth in the "Schedule Y" attached to the Loan Agreement.

Section 2. All other provisions relating to the Series 2023 A Bonds and the text of the Series 2023 A Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor and City Manager, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the BPH and the Authority. The price of the Series 2023 A Bonds shall be 100% of par value, there being no interest accrued thereon, provided that, the proceeds of the Series 2023 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate United Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2023 A Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2023 A Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor and City Manager and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2023 A Bonds under the Bond Ordinance.

Section 6. The Issuer does hereby appoint and designate WesBanco Bank, Clarksburg, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2023 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2023 A Bonds Sinking Fund, as capitalized interest.

Section 9. Series 2023 A Bonds proceeds in the amount of $63,044.55 shall be deposited in the Series 2023 A Bonds Reserve Account.

Section 10. The balance of the proceeds of the Series 2023 A Bonds shall be deposited in or credited to the Series 2023 A Bonds Project Fund for payment of the costs of the Design Project, including, without limitation, costs of issuance of the Series 2023 A Bonds and related costs.

Section 11. The Mayor, City Manager and City Clerk are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Series 2023 A Bonds to be issued hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2023 A Bonds may be delivered on or about April 25, 2023, to the Authority pursuant to the Loan Agreement.

Section 12. The completion of the Design Project and the financing thereof in part with proceeds of the Series 2023 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer hereby approves and accepts all contracts relating to the financing and completion of the Design Project and the Mayor and City Manager are hereby authorized and directed to execute and deliver all such contracts.

[Remainder of Page Intentionally Blank]

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 6th day of April, 2023.

CITY OF CLARKSBURG

James J Marino

Mayor

Steve Pulice

City Manager

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the City of Clarksburg on the 6th day of April, 2023.

Dated: April 25, 2023.

[SEAL]

Annette Wright

City Clerk

EXHIBIT A
BOND ORDINANCE
(SEE TAB 1 OF TRANSCRIPT)

CITY OF CLARKSBURG

Waterworks System Design Revenue Bonds, Series 2023 B
(West Virginia DWTRF Lead Service Line Program)
Waterworks System Design Revenue Bonds, Series 2023 C
(West Virginia DWTRF Lead Service Line Program/Forgivable)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 B (WEST VIRGINIA DWTRF LEAD SERVICE LINE PROGRAM) AND THE WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 C (WEST VIRGINIA DWTRF LEAD SERVICE LINE PROGRAM/FORGIVABLE), OF THE CITY OF CLARKSBURG; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the City of Clarksburg (the "Issuer") has duly and officially enacted a bond ordinance, effective April 6, 2023 (the "Bond Ordinance" or the "Ordinance"), entitled:

ORDINANCE AUTHORIZING DESIGN AND OTHER PRECONSTRUCTION ACTIVITIES RELATING TO THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 B (WEST VIRGINIA DWTRF PROGRAM); NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 C (WEST VIRGINIA DWTRF PROGRAM/FORGIVABLE); PROVIDING FOR THE RIGHTS AND

REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Waterworks System Design Revenue Bonds, Series 2023 B (West Virginia DWTRF Lead Service Line Program), of the Issuer (the "Series 2023 B Bonds"), in the aggregate principal amount not to exceed $1,000,000 and the issuance of Waterworks System Design Revenue Bonds, Series 2023 C (West Virginia DWTRF Lead Service Line Program/Forgivable), of the Issuer (the "Series 2023 C Bonds"), in the aggregate principal amount not to exceed $1,000,000 and has authorized the execution and delivery of the loan agreement relating to the Series 2023 B Bonds and the Series 2023 C Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the “BPH”) (the “Loan Agreement”), all in accordance with Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Series 2023 B Bonds and Series 2023 C Bonds should be established by a supplemental resolution pertaining to the Series 2023 B Bonds and the Series 2023 C Bonds; and that other matters relating to the Series 2023 B Bonds and the Series 2023 C Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Series 2023 B Bonds and the Series 2023 C Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the principal payment dates, the sale price and other terms of the Series 2023 B Bonds and the Series 2023 C Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2023 B Bonds and the Series 2023 C Bonds be herein provided for;

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

Section 1. A. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Waterworks System Design Revenue Bonds, Series 2023 B (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $440,558. The Series 2023 B

Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2053 and shall bear no interest. The outstanding principal on the Series 2023 B Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2023, to and including December 1, 2053, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2023 B Bonds. The Series 2023 B Bonds shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2023 B Bonds. The Series 2023 B Bonds are not subject to the Administrative Fee.

B. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Waterworks System Design Revenue Bonds, Series 2023 C (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered CR-1, in the principal amount of $409,169. The Series 2023 C Bonds shall be dated the date of delivery thereof and shall bear no interest. The principal amounts advanced under the Series 2023 C Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2023 C Bonds shall be deemed no longer Outstanding after the last advance is forgiven. The Series 2023 C Bonds 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 BPH, and otherwise in compliance with the Loan Agreement. The Series 2023 C Bonds are not subject to the Administrative Fee.

Section 2. All other provisions relating to the Series 2023 B Bonds and the Series 2023 C Bonds, and the text of the Series 2023 B Bonds and Series 2023 C Bonds shall be substantially as provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor and City Manager, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the BPH and the Authority. The price of the Series 2023 B Bonds shall be 100% of par value, there being no interest accrued thereon, provided that, the proceeds of the Series 2023 B Bonds shall be advanced from time to time as requisitioned by the Issuer.

The price of the Series 2023 C Bonds shall be 100% of par value, there being no interest accrued thereon, provided that, the proceeds of the Series 2023 C Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate United Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2023 B Bonds and the Series 2023 C Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2023 B Bonds and the Series 2023 C Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor and City Manager and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2023 B Bonds under the Bond Ordinance.

Section 6. The Issuer does hereby appoint and designate WesBanco Bank, Clarksburg, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2023 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2023 B Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2023 B Bonds proceeds in the amount of $14,688 shall be deposited in the Series 2023 B Bonds Reserve Account.

Section 9. A. The balance of the proceeds of the Series 2023 B Bonds shall be deposited in or credited to the Series 2023 B Bonds Project Fund for payment of the costs of the Design Project, including, without limitation, costs of issuance of the Series 2023 B Bonds and related costs.

B. The balance of the proceeds of the Series 2023 C Bonds shall be deposited in or credited to the Series 2023 C Bonds Project Fund for payment of the costs of the Design Project, including, without limitation, costs of issuance of the Series 2023 C Bonds and related costs.

Section 10. The Mayor, City Manager and City Clerk are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Series 2023 B Bonds and the Series 2023 C Bonds to be issued hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2023 B Bonds and the Series 2023 C Bonds may be delivered on or about April 25, 2023, to the Authority pursuant to the Loan Agreement.

Section 11. The completion of the Design Project and the financing thereof in part with proceeds of the Series 2023 B Bonds and the Series 2023 C Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer hereby approves and accepts all contracts relating to the financing and completion of the Design Project and the Mayor and City Manager are hereby authorized and directed to execute and deliver all such contracts.

[Remainder of Page Intentionally Blank]

Section 13. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 6th day of April, 2023.

CITY OF CLARKSBURG

James Marino

Mayor

Steve Pulice

City Manager

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the City of Clarksburg on the 6th day of April, 2023.

Dated: April 25, 2023.

[SEAL]

Annette Wright

City Clerk

EXHIBIT A
BOND ORDINANCE
(SEE TAB 1 OF TRANSCRIPT)

LOAN AGREEMENT
DESIGN/STANDARD AND
DESIGN/LEAD SERVICE LINE

THIS DRINKING WATER TREATMENT REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), acting under the direction of the WEST VIRGINIA BUREAU FOR PUBLIC HEALTH, a division of the West Virginia Department of Health and Human Resources (the "BPH"), and the local entity designated below (the "Local Entity").

CITY OF CLARKSBURG
(2022W-2234 / 22DWTRFA001LSLD
(Local Entity)

W I T N E S S E T H:

WHEREAS, the United States Congress under Section 1452 of the Safe Drinking Water Act, as amended (the "Safe Drinking Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining drinking water treatment revolving funds for the construction, acquisition and improvement of drinking water systems;

WHEREAS, pursuant to the provisions of Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a drinking water treatment revolving fund program (the "Program") to direct the distribution of loans to eligible Local Entities pursuant to the Safe Drinking Water Act;

WHEREAS, under the Act the BPH 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 §66.468 (1998)) and BPH has been awarded capitalization grants to partially fund the Program;

WHEREAS, the Act establishes a permanent perpetual fund known as the "West Virginia Drinking Water Treatment Revolving Fund" (hereinafter the "Fund"), which fund is administered and managed by the Authority under the direction of the BPH;

WHEREAS, in addition to the standard deposits to the Fund, the BPH has been awarded a DWTRF Lead Service Replacement Line Grant IIJA pursuant to the Bipartisan Infrastructure Investment and Jobs Act, Public Law 117-58 ("BIL"), to capitalize the DWTRF with an emphasis on lead service line replacement and associated activities directly connected to the identification, planning, design, and replacement of lead service lines;

WHEREAS, pursuant to the Act, the Authority and BPH are empowered to make loans from the Fund to Local Entities for the design, acquisition or construction of drinking water projects by such Local Entities, all subject to such provisions and limitations as are contained in BIL, the Safe Drinking Water Act and the Act;

WHEREAS, the Local Entity constitutes a local entity as defined by the Act;

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

WHEREAS, the Local Entity is authorized and empowered by the statutes of the State to identify, study, plan, design, acquire, construct, improve, operate and maintain a drinking water 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 Entity;

WHEREAS, the Local Entity desires to make improvements to its System and has committed to the identification, planning, design, and/or replacement of lead service lines and intends to construct, is constructing or has constructed such a drinking water project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS, the Local Entity has completed and filed with the Authority and BPH an Application for Design Loans, including funding for the design of lead service line replacements with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference;

WHEREAS, the Local Entity will issue one or more revenue bonds to evidence its indebtedness to the Fund for the funds advanced to pay the costs of the design of the Project; and

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and BPH are willing to lend the Local Entity the amounts set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Entity with moneys held in the Fund, subject to the Local Entity'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 Entity, BPH 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 entity," and "project" have the definitions and meanings ascribed to them in the Act or in the DWTRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto.

1.3 "Cross Cutter Authorities" means federal laws and authorities that apply by their terms to projects or activities receiving federal assistance.

1.4 "DWTRF Regulations" means the regulations set forth in the West Virginia Code of State Regulations.

1.5 "Loan" means the loan to be made by the Authority and BPH to the Local Entity through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.6 "Local Act" means the official action of the Local Entity required by Section 4.1 hereof, authorizing the Local Bonds.

1.7 "Local Bonds" means the revenue bonds to be issued by the Local Entity in one or more series 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, including funding for lead service lines, all in accordance with the provisions of this Loan Agreement.

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

1.9 "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.

1.10 "Program" means the drinking water facility acquisition, construction and improvement program coordinated through the capitalization grants program, including design and construction related to the lead service line inventory and replacement, established under BIL and the Safe Drinking Water Act and administered by BPH.

1.11 "Project" means the design drinking water project, including the design of lead service line replacement, hereinabove referred to, to be designed by the Local Entity in whole or in part with the net proceeds of the Local Bonds, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.12 "System" means the drinking water system owned by the Local Entity, 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 design of the facilities described in the Application, to be constructed in accordance with plans, specifications and designs prepared for the Local Entity by the Consulting Engineers, the BPH 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 Entity 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 to be prepared for the Local Entity 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 Entity, subject to any statutory 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 BPH and the Authority or otherwise occurs in compliance with Local Act.

2.4 The Local Entity agrees that the Authority and BPH 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 Entity further agrees that the Authority and BPH 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 BPH with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Entity shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Local Entity shall permit the Authority and BPH, 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 Entity shall submit to the Authority and BPH 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 Entity agrees that it will permit the Authority and BPH and their respective agents to have access to the records of the Local Entity pertaining to the design, 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 Reserved.

2.8 The Local Entity shall require that each of its contractors and all subcontractors maintain, during the life of any design contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and BPH and shall verify or have verified such insurance prior to commencement of construction.

2.9 The Local Entity shall provide and maintain competent and adequate engineering services satisfactory to the Authority and BPH covering the supervision and inspection of the development and design of the Project.

2.10 The Local Entity shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Entity shall employ qualified operating personnel properly certified by the State.

2.11 The Local Entity hereby covenants and agrees to comply with all applicable federal and state statutes, rules and regulations, the applicable requirements of all Cross Cutter Authorities and all applicable local ordinances issued by the Authority, BPH or other State, federal or local bodies in regard to the design of the Project and operation, maintenance and use of the System.

2.12 The Local Entity must complete the Monthly Financial Report, the form of which is attached hereto as Exhibit A and incorporated herein by reference, and forward it to the Authority by the 10th day of each month, commencing on the month after the loan contracts are executed for the acquisition or construction of the Project and ending after three years. After the three-year period, it or an equivalent tracking form should continue to be completed and reviewed monthly for the utility's management to monitor its financial debt service coverage for the life of the loan. This form would be on file with the utility records according to the utility's records management policy.

2.13 Reserved.

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

ARTICLE III
Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and BPH to make the Loan is subject to the Local Entity's fulfillment, to the satisfaction of the Authority and BPH, 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 Entity shall have delivered to BPH and the Authority a report listing the specific purposes for which the proceeds of the Loan will be expended;

(b) The Local Entity 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 Entity 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 Entity shall have entered into contracts for the design of the Project, which are in an amount and otherwise compatible with the plan of financing described in the Application;

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

(f) The Local Entity shall have obtained all requisite orders required by the laws of the State and the West Virginia Infrastructure and Jobs Development Council necessary for the design of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal, and the Authority and BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, or bond counsel but must be satisfactory to the Authority and BPH, to such effect;

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

(h) The Local Entity 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, with all requisite appeal periods having expired without successful appeal, and the Authority and BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, or bond counsel but must be satisfactory to the Authority and BPH, 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 BPH shall

have received a certificate of the accountant for the Local Entity, or such other person or firm experienced in the finances of local entities and satisfactory to the Authority and BPH, to such effect;

(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 design of the Project as set forth in the Application, and the Authority and BPH shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of drinking water projects and satisfactory to the Authority and BPH, to such effect, such certificate to be in form and substance satisfactory to the Authority and BPH, and evidence satisfactory to the Authority and BPH of such irrevocably committed grants; and

(k) Reserved.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the BPH, including the DWTRF 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 Entity and the Local Entity shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Entity 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 Entity 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, BPH and the Local Entity. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority.

3.5 The Local Entity understands and acknowledges that it is one of several local entities which have applied to the Authority and BPH for loans from the Fund to finance drinking water projects and that the obligation of the Authority to make any such loan is subject to the Local Entity'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 Entity 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 execution of this Loan

Agreement, the Authority may purchase the bonds of other local entities set out in the State Project Priority List, as defined in the DWTRF Regulations. The Local Entity further specifically recognizes that all loans will be originated in conjunction with the DWTRF Regulations and with the prior approval of BPH or such later date as is agreed to in writing by the BPH.

3.6 The Local Entity shall provide BPH with the appropriate documentation to comply with the special conditions regarding the special requirements established by federal and State regulations as set forth in Exhibit D attached hereto at such times as are set forth therein.

3.7 The Local Entity shall comply with the following conditions:

(a) The Local Entity shall develop and implement an asset management plan in accordance with BPH guidelines and approved by BPH.

(b) The Local Entity shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying.

(c) The Local Entity shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds $10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

(d) The Local Entity shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by BPH, the Local Entity shall provide certifications as to compliance.

(e) The Local Entity shall comply with all requests for data related to the use of the funds provided under this agreement.

(f) The Local Entity shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this Agreement and (2) interview any officer or employee of the Local Entity.

(g) The Local Entity must promptly refer to EPA's Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this Agreement.

(h) The Local Entity shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

(i) To the extent required by law, the Local Entity 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 31 of title 40, United States Code. If applicable, the Local Entity must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

(j) To the extent required by law, pursuant to 40 CFR, Section 33.301, the Local Entity agrees to make Disadvantage Business Enterprise (DBE) good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Entity shall provide BPH with DBE participation reports quarterly.

(k) To the extent required by law, the Local Entity shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Entity shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and Local Entities, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

(l) If applicable, the Local Entity shall comply with all federal requirements applicable to the Loan (including those imposed by BIL, P.L. 113-76, Consolidated Appropriations Act, 2014, the Infrastructure Investment and Jobs Act ("IIJA"), Public Law No. 117-58 and related SRF Policy Guidelines issued by the EPA) which the Local Entity understands includes, among other things, requirements that all of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States ("Build America, Buy America Requirement") unless (i) the Local Entity has requested and obtained a waiver from the EPA or another application agency pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) the BPH and other funding agencies, if applicable, have otherwise advised the Local Entity in writing that the Build America, Buy America Requirements are not applicable to the Project.

(m) The Local Entity shall comply with all record keeping and reporting requirements under the Safe Drinking Water Act and other funding agencies, if applicable, including any reports required by a Federal agency or the BPH such as performance indicators of program deliverables, information on costs and Project progress. The Local Entity 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 Safe Drinking Water Act and other funding agencies, if applicable, and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Bonds, termination and/or repayment of grants,

cooperative agreements, direct assistance or other types of financial assistance, and/or other remedial actions.

(n) The Local Entity covenants and agrees to not expend any proceeds of the Loan or enter into any contracts for components and services prohibited by 2 CFR 200.216 (Prohibition on certain telecommunication and video surveillance services or equipment), implementing section 889 of Public Law 115-232. Prior to entering into any contracts the Local Entity shall certify to BPH in writing that it has reviewed all contracts against the excluded parties list in the System for Award Management (www.sam.gov).

3.8 The Local Entity shall fund and maintain a working capital fund with a balance of not less than one eighth (1/8) of the Local Entity's actual annual operating and maintenance expenses. This fund is separate from and in addition to the renewal and replacement fund required under Section 4.1(a)(iii) hereof.

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

4.1 The Local Entity shall, as one of the conditions of the Authority and BPH to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Entity 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 Entity 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 gross or net revenues, as applicable, 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 Entity will complete the design of the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the DWTRF Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized 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 the 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 Entity 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;

(vi) That the Local Entity 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 Entity 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 Entity 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 design 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 Entity will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Entity shall annually, within six months of the end of the fiscal year, cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority. If the Local Entity receives $750,000 or more (in any combination of federal funds) in a fiscal year, the audit shall be obtained in accordance with 2 CFR 200 Subpart F (or any successor thereto). Financial statement audits are required once all funds have been received by the Local Entity. The audit 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 Entity's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Entity 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 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 Entity 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 funding of such Local Entity, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the BPH, 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 Entity may authorize redemption of the Local Bonds with 30 days written notice to BPH and the Authority and only with the written consent of the BPH and Authority;

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

(xvii) That, unless waived by the Authority the Local Entity shall authorize a sweep resolution so that monthly payments can be made to the Commission electronically. If not waived by the Authority, the Local Entity 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 Entity shall complete the Monthly Payment Form, attached hereto as Exhibit D 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; and

(xviii) That the Local Entity shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate its services to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore such services until all delinquent charges for the services of the System have been fully paid.

The Local Entity 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 counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit D.

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

4.3 At least two and one-half percent (2½%) 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 Authority monthly as required by the Local Entity 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 Entity, the BPH 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 DWTRF Regulations, provided that the 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 Entity. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

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

4.7 If a Local Entity does not draw down all of the proceeds of the Local Bonds within six months of a receipt of a substantial completion certificate or such other time as determined by BPH, the BPH will instruct the Authority to process a final draw on the Local Bonds. BPH will instruct the Authority to advance the remaining proceeds of the Local Bond to the Commission for deposit in the Local Bond's Debt Service Reserve Account.

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

5.1 The Local Entity 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 Entity 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 Entity

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 appropriate statutory body 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 Entity 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 Entity hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Entity, 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 Entity

6.1 The Local Entity hereby acknowledges to the Authority and BPH its understanding of the provisions of the Act, vesting in the Authority and BPH certain powers, rights and privileges with respect to drinking water projects in the event of default by local entities in the terms and covenants of this Loan Agreement, and the Local Entity hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Entity 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 Entity hereby warrants and represents that all information provided to the Authority and BPH 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 BPH 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 BPH by the Local Entity in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Entity 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 DWTRF Regulations or this Loan Agreement.

6.3 The Local Entity 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, provided that such repayment shall not be made from the proceeds of the Loan.

6.4 The Local Entity hereby covenants that, if required by the Authority, 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 Entity fails to make any such rebates as required, then the Local Entity 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 if such interest is indicated to be so excluded in the opinion delivered in connection with the closing of Loan.

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

6.6 The Local Entity hereby agrees to give the Authority 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 Entity hereby agrees to file with the Authority upon completion of acquisition and construction of the Project a schedule setting forth the actual costs of the Project and sources of funds.

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 Entity 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 Entity specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority if the Authority simultaneously advances the proceeds, or the initial advance thereof, of the Loan as herein provided 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 Entity from either the Authority or BPH;

(ii) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the BPH if the Local Entity has failed to deliver the Local Bonds to the Authority;

(iii) termination by the Authority and BPH pursuant to Section 6.2 hereof; or

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Entity to the Authority or BPH.

In the event funds are not available to make all of the Loan, the responsibility of the Authority and BPH to make all the Loan is terminated; provided further that the obligation of the Local Entity to repay the outstanding amount of the Loan made by the Authority and BPH is not terminated due to such non-funding on any balance of the Loan which has been refunded and is then repayable pursuant to the terms hereof. The BPH agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. 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.

CITY OF CLARKSBURG

(SEAL)

By: James Marino
Its: Mayor
Date: April 25, 2023

By: Stuart Pulice
Its: City Manager
Date: April 25, 2023

Attest:

Annette Wright
Its: City Clerk

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: [signature]
Its: Executive Director
Date: April 25, 2023

Attest:

[signature]
Its: Authorized Officer

EXHIBIT A

Monthly Financial Report

Name of Local Entity: _____
Funding Agency Project No.: _____
Type of Project: ☐ Water ☐ Wastewater
Fiscal Year: _____
Report Month: _____

Item	Current Month	Total Year to Date	Budget Year to Date	***Budget Year to Date Minus Total Year to Date**
1. Gross Revenues:	0	0	0	**0**
2. Operating Expenses: (Including Admin Fees)	0	0	0	**0**
3. Renewal and Replacement Fund Deposits:	0	0	0	**0**
	Adequate R&R Deposit	**Adequate R&R Deposit**	**Adequate R&R Deposit**	
4. ***Net Revenue: (Equation: 1-2)**	**0**	**0**	**0**	**0**
5. Bond Payments: (Principal and Interest)				
Type of Issue				
Clean water SRF:				**0**
Drinking water SRF:				**0**
Infrastructure Fund:				**0**
Water Dev. Authority:				**0**
Rural Utilities Service:				**0**
Economic Development:				**0**
Other: (Identify Below)				**0**
***Bond Payment Total:**	**0**	**0**	**0**	**0**
6.				
***Calculated Debt Coverage: (Equation: 4/6 * 100%)**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	
7.	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	

_____
Name of Person Completing Form / Date

_____
Address

_____
Telephone Number

Please enter financial data in Grey cells. (If applicable)
*** Self Calculating Formula**

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT (EXHIBIT A)	
Item 1:	You will need a copy of the current fiscal year budget adopted by the Local Entity 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 Entity 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 Entity.
The Local Entity must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10th day of each month, commencing for the month after the loan contracts are executed for the acquisition or construction of the Project and ending after three years.	

EXHIBIT B

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Entity agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking 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. EXHIBIT C-1 – The Local Entity shall complete the form attached as Exhibit C-1 and submit to the BPH prior to the Closing.

C. WAGE RATES – All references to contractors and wage rates will not be applicable for the Local Entity.

D. DESIGN ONLY – Requirements herein that relate solely to construction are hereby waived.

EXHIBIT B-1

For DHHR Use Only:
Grant Number _____

West Virginia Department of Health and Human Resources
Subrecipient (Grantee) Information Form – DHHR Finance A-1000
Please see the Instructions for Completion of the Subrecipient (Grantee) Information Form

1. Subrecipient (Grantee) Legal Name	2. Subrecipient (Grantee) DBA Name

3. Subrecipient (Grantee) 9-Digit DUNS Number

4. Subrecipient (Grantee) Physical Location			
Street 1:		***State:***	
Street 2:		***Zip +4:***	
City:		***County:***	

5. Subrecipient (Grantee) Type (Please check one box only)

- ☐ A - State Government
- ☐ B - County Government
- ☐ C - City or Township Government
- ☐ D - Special District Government
- ☐ E - Regional Organization
- ☐ F - U.S. Territory or Possession
- ☐ G - Independent School District
- ☐ H - Public/State Controlled Institution of Higher Learning
- ☐ I - Indian/Native American Tribal Government (Federally Recognized)
- ☐ J - Indian/Native American Tribal Government (Other than Federally Recognized)
- ☐ K - Indian/Native American Tribally Designated Organization
- ☐ L - Public/Indian Housing Authority
- ☐ M - Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)
- ☐ N - Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education)
- ☐ O - Private Institution of Higher Education
- ☐ P - Individual
- ☐ Q - For-Profit Business (Other than Small Business)
- ☐ R - Small Business
- ☐ S - Hispanic-serving Institution
- ☐ T - Historically Black Colleges and Universities (HBCUs)
- ☐ U - Tribally Controlled Colleges and Universities (TCCUs)
- ☐ V - Alaska Native and Native Hawaiian Serving Institutions
- ☐ W - Non-domestic (non-US) entity
- ☐ X - Other (Please explain) _____

6. Subrecipient (Grantee) Primary Place of Performance			
City:		***Zip +4:***	
State:		***County:***	

7. Subrecipient (Grantee) Highly Compensated Officers (if applicable)

Officer Name	*Title*	*Total Compensation*

NOTE: This form must be signed by an individual no lower than the Executive Director or Chief Financial Officer.

Printed Name _____ Title _____

Signature _____ Date _____ Phone # _____

DHHR Finance A-1000 (Revised Sept 2009)

EXHIBIT C

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 _____ on _____.
[Local Entity] [Date]

Sinking Fund:

Interest$_____

Principal $_____

Total: $_____

Reserve Account: $_____

Witness my signature this ___ day of _____.

_____
[Name of Local Entity]

By: _____
Authorized Officer

Enclosure: wire transfer form

EXHIBIT D

OPINION OF COUNSEL FOR LOCAL ENTITY

[To Be Dated as of Date of Loan Closing]

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

West Virginia Bureau for Public Health
Drinking Water Treatment Revolving Fund Program
350 Capitol Street, Room 313
Charleston, WV 25301-3713

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of a (i) loan agreement dated _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Entity and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and (ii) the issue of a series of revenue bonds of the Local Entity, 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 Entity on _____, as supplemented by the supplemental resolution duly adopted by the Local Entity 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 Entity and is a valid and binding special obligation of the Local Entity, enforceable in accordance with the terms thereof.

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

3. The Local Entity 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 Entity and constitute valid and binding obligations of the Local Entity, enforceable against the Local Entity 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 Entity to the Authority and are valid, legally enforceable and binding special obligations of the Local Entity, payable from the gross or net revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the gross or net 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 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 (Design Standard Non-Lead Service Line)

Principal Amount of Local Bonds	$1,632,223
Purchase Price of Local Bonds	$1,632,223

The Series A Bonds shall bear interest at a rate of 1% per annum. Commencing March 1, 2024, principal of and interest on the Series A 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 Entity authorizes the Commission to electronically sweep its payments monthly. If the Reserve Account is not fully funded at closing, the Local Entity 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 Entity 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 Series A 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 gross or net revenues of the Local Entity's system as provided in the Local Act.

The Local Entity may prepay the Series A Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and BPH and after having received the written consent of the Authority and meeting the rate and parity tests set forth in the Local Act. The Local Entity shall request approval from the Authority and BPH in writing of any proposed debt which will be issued by the Local Entity on a parity with the Series A Bonds which request must be filed at least 60 days prior to the intended date of issuance.

The Series A Bonds are fully registered in the name of the Authority.

The Local Entity shall make monthly payments into the Renewal and Replacement Fund as required by Section 4.1 of this Agreement for at least the term of the Series A Bonds.

The Local Entity shall notify the Authority and the Council of any proposed bond indebtedness secured by the revenues of the System.

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

(1) Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated September 28, 2004, issued in the original aggregate principal amount of $1,885,764;

(2) Water Refunding Revenue Bonds, Series 2021 A (Tax-Exempt), dated March 18, 2021, issued in the original aggregate principal amount of $2,785,000; and

(3) Water Revenue Bonds, Series 2023 B (West Virginia DWTRF Program) issued contemporaneously herewith in the aggregate principal amount of $440,558.

Number of New Customers To Be Served: -0-
Location: City of Clarksburg, Harrison County

B. Series B Bonds (Design Lead Service Line)

Principal Amount of Local Bonds	$440,558
Purchase Price of Local Bonds	$440,558

The Series B Bonds shall bear no interest. Commencing March 1, 2024, principal of the Series B Bonds is payable quarterly, with no administrative fee. 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 Entity authorizes the Commission to electronically sweep its payments monthly. If the Reserve Account is not fully funded at closing, the Local Entity 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 Entity 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 Series B Bonds are fully registered in the name of the Authority as to principal and interest, if any, and the Series B Bonds shall grant the Authority a first lien on the gross or net revenues of the Local Entity's system as provided in the Local Act.

The Local Entity may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and BPH and after obtaining the written consent of the Authority and meeting the rate coverage and parity tests set forth in the Local Act. The Local Entity shall request approval from the Authority and BPH in writing of any proposed debt which will be issued by the Local Entity on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

The Series B Bonds are fully registered in the name of the Authority.

The Local Entity shall make monthly payments into the Renewal and Replacement Fund as required by Section 4.1 of this Agreement for at least the term of the Series B Bonds.

The Local Entity shall notify the Authority and the Council of any proposed bond indebtedness secured by the revenues of the System.

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

(1) Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated September 28, 2004, issued in the original aggregate principal amount of $1,885,764;

(2) Water Refunding Revenue Bonds, Series 2021 A (Tax-Exempt), dated March 18, 2021, issued in the original aggregate principal amount of $2,785,000; and

(3) Water Revenue Bonds, Series 2023 A (West Virginia DWTRF Program) issued contemporaneously herewith in the aggregate principal amount of $1,632,223.

Number of New Customers To Be Served: -0-
Location: City of Clarksburg, Harrison County

C. Series C Bonds (Lead Service Line Principal Forgiveness)

Principal Amount of Local Bonds	$409,169
Purchase Price of Local Bonds	$409,169

The Series C Bonds shall bear no interest. The Authority at the direction of the BPH shall forgive the principal amount of the Series C Bonds. The principal amounts advanced under the Series C Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series C Bonds shall be deemed no longer outstanding after the last advance is forgiven.

SCHEDULE Y
DEBT SERVICE SCHEDULES

Net Debt Service
City of Clarksburg
DWTRF
$1,632,223
1% Interest Rate
0.25% Administration Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
3/1/2024	11,680	4,080.56	15,760.56	539.76	16,300.32
6/1/2024	11,710	4,051.36	15,761.36	539.76	16,301.12
9/1/2024	11,739	4,022.08	15,761.08	539.76	16,300.84
12/1/2024	11,768	3,992.74	15,760.74	539.76	16,300.50
3/1/2025	11,798	3,963.32	15,761.32	539.76	16,301.08
6/1/2025	11,827	3,933.82	15,760.82	539.76	16,300.58
9/1/2025	11,857	3,904.25	15,761.25	539.76	16,301.01
12/1/2025	11,886	3,874.61	15,760.61	539.76	16,300.37
3/1/2026	11,916	3,844.90	15,760.90	539.76	16,300.66
6/1/2026	11,946	3,815.11	15,761.11	539.76	16,300.87
9/1/2026	11,976	3,785.24	15,761.24	539.76	16,301.00
12/1/2026	12,006	3,755.30	15,761.30	539.76	16,301.06
3/1/2027	12,036	3,725.29	15,761.29	539.76	16,301.05
6/1/2027	12,066	3,695.20	15,761.20	539.76	16,300.96
9/1/2027	12,096	3,665.03	15,761.03	539.76	16,300.79
12/1/2027	12,126	3,634.79	15,760.79	539.76	16,300.55
3/1/2028	12,156	3,604.48	15,760.48	539.76	16,300.24
6/1/2028	12,187	3,574.09	15,761.09	539.76	16,300.85
9/1/2028	12,217	3,543.62	15,760.62	539.76	16,300.38
12/1/2028	12,248	3,513.08	15,761.08	539.76	16,300.84
3/1/2029	12,278	3,482.46	15,760.46	539.76	16,300.22
6/1/2029	12,309	3,451.76	15,760.76	539.76	16,300.52
9/1/2029	12,340	3,420.99	15,760.99	539.76	16,300.75
12/1/2029	12,371	3,390.14	15,761.14	539.76	16,300.90
3/1/2030	12,402	3,359.21	15,761.21	539.76	16,300.97
6/1/2030	12,433	3,328.21	15,761.21	539.76	16,300.97
9/1/2030	12,464	3,297.12	15,761.12	539.76	16,300.88
12/1/2030	12,495	3,265.96	15,760.96	539.76	16,300.72
3/1/2031	12,526	3,234.73	15,760.73	539.76	16,300.49
6/1/2031	12,557	3,203.41	15,760.41	539.76	16,300.17
9/1/2031	12,589	3,172.02	15,761.02	539.76	16,300.78
12/1/2031	12,620	3,140.55	15,760.55	539.76	16,300.31
3/1/2032	12,652	3,109.00	15,761.00	539.76	16,300.76
6/1/2032	12,683	3,077.37	15,760.37	539.76	16,300.13
9/1/2032	12,715	3,045.66	15,760.66	539.76	16,300.42
12/1/2032	12,747	3,013.87	15,760.87	539.76	16,300.63
3/1/2033	12,779	2,982.00	15,761.00	539.76	16,300.76
6/1/2033	12,811	2,950.06	15,761.06	539.76	16,300.82
9/1/2033	12,843	2,918.03	15,761.03	539.76	16,300.79
12/1/2033	12,875	2,885.92	15,760.92	539.76	16,300.68
3/1/2034	12,907	2,853.73	15,760.73	539.76	16,300.49
6/1/2034	12,939	2,821.47	15,760.47	539.76	16,300.23
9/1/2034	12,972	2,789.12	15,761.12	539.76	16,300.88
12/1/2034	13,004	2,756.69	15,760.69	539.76	16,300.45
3/1/2035	13,037	2,724.18	15,761.18	539.76	16,300.94
6/1/2035	13,069	2,691.59	15,760.59	539.76	16,300.35

Mar 27, 2023 4:43 pm Prepared by Piper Sandler (WDA:LOANS-CLARK123) 2

Net Debt Service
City of Clarksburg
DWTRF
$1,632,223
1% Interest Rate
0.25% Administration Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
9/1/2035	13,102	2,658.91	15,760.91	539.76	16,300.67
12/1/2035	13,135	2,626.16	15,761.16	539.76	16,300.92
3/1/2036	13,168	2,593.32	15,761.32	539.76	16,301.08
6/1/2036	13,200	2,560.40	15,760.40	539.76	16,300.16
9/1/2036	13,233	2,527.40	15,760.40	539.76	16,300.16
12/1/2036	13,267	2,494.32	15,761.32	539.76	16,301.08
3/1/2037	13,300	2,461.15	15,761.15	539.76	16,300.91
6/1/2037	13,333	2,427.90	15,760.90	539.76	16,300.66
9/1/2037	13,366	2,394.57	15,760.57	539.76	16,300.33
12/1/2037	13,400	2,361.15	15,761.15	539.76	16,300.91
3/1/2038	13,433	2,327.65	15,760.65	539.76	16,300.41
6/1/2038	13,467	2,294.07	15,761.07	539.76	16,300.83
9/1/2038	13,500	2,260.40	15,760.40	539.76	16,300.16
12/1/2038	13,534	2,226.65	15,760.65	539.76	16,300.41
3/1/2039	13,568	2,192.82	15,760.82	539.76	16,300.58
6/1/2039	13,602	2,158.90	15,760.90	539.76	16,300.66
9/1/2039	13,636	2,124.89	15,760.89	539.76	16,300.65
12/1/2039	13,670	2,090.80	15,760.80	539.76	16,300.56
3/1/2040	13,704	2,056.63	15,760.63	539.76	16,300.39
6/1/2040	13,738	2,022.37	15,760.37	539.76	16,300.13
9/1/2040	13,773	1,988.02	15,761.02	539.76	16,300.78
12/1/2040	13,807	1,953.59	15,760.59	539.76	16,300.35
3/1/2041	13,842	1,919.07	15,761.07	539.76	16,300.83
6/1/2041	13,876	1,884.47	15,760.47	539.76	16,300.23
9/1/2041	13,911	1,849.78	15,760.78	539.76	16,300.54
12/1/2041	13,946	1,815.00	15,761.00	539.76	16,300.76
3/1/2042	13,981	1,780.14	15,761.14	539.76	16,300.90
6/1/2042	14,016	1,745.18	15,761.18	539.76	16,300.94
9/1/2042	14,051	1,710.14	15,761.14	539.76	16,300.90
12/1/2042	14,086	1,675.02	15,761.02	539.76	16,300.78
3/1/2043	14,121	1,639.80	15,760.80	539.76	16,300.56
6/1/2043	14,156	1,604.50	15,760.50	539.76	16,300.26
9/1/2043	14,192	1,569.11	15,761.11	539.76	16,300.87
12/1/2043	14,227	1,533.63	15,760.63	539.76	16,300.39
3/1/2044	14,263	1,498.06	15,761.06	539.76	16,300.82
6/1/2044	14,298	1,462.40	15,760.40	539.76	16,300.16
9/1/2044	14,334	1,426.66	15,760.66	539.76	16,300.42
12/1/2044	14,370	1,390.82	15,760.82	539.76	16,300.58
3/1/2045	14,406	1,354.90	15,760.90	539.76	16,300.66
6/1/2045	14,442	1,318.88	15,760.88	539.76	16,300.64
9/1/2045	14,478	1,282.78	15,760.78	539.76	16,300.54
12/1/2045	14,514	1,246.58	15,760.58	539.76	16,300.34
3/1/2046	14,551	1,210.30	15,761.30	539.76	16,301.06
6/1/2046	14,587	1,173.92	15,760.92	539.76	16,300.68
9/1/2046	14,623	1,137.45	15,760.45	539.76	16,300.21
12/1/2046	14,660	1,100.90	15,760.90	539.76	16,300.66

Net Debt Service
City of Clarksburg
DWTRF
$1,632,223
1% Interest Rate
0.25% Administration Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
3/1/2047	14,697	1,064.25	15,761.25	539.76	16,301.01
6/1/2047	14,733	1,027.50	15,760.50	539.76	16,300.26
9/1/2047	14,770	990.67	15,760.67	539.76	16,300.43
12/1/2047	14,807	953.75	15,760.75	539.76	16,300.51
3/1/2048	14,844	916.73	15,760.73	539.76	16,300.49
6/1/2048	14,881	879.62	15,760.62	539.76	16,300.38
9/1/2048	14,918	842.42	15,760.42	539.76	16,300.18
12/1/2048	14,956	805.12	15,761.12	539.76	16,300.88
3/1/2049	14,993	767.73	15,760.73	539.76	16,300.49
6/1/2049	15,031	730.25	15,761.25	539.76	16,301.01
9/1/2049	15,068	692.67	15,760.67	539.76	16,300.43
12/1/2049	15,106	655.00	15,761.00	539.76	16,300.76
3/1/2050	15,144	617.24	15,761.24	539.76	16,301.00
6/1/2050	15,181	579.38	15,760.38	539.76	16,300.14
9/1/2050	15,219	541.42	15,760.42	539.76	16,300.18
12/1/2050	15,257	503.38	15,760.38	539.76	16,300.14
3/1/2051	15,296	465.23	15,761.23	539.76	16,300.99
6/1/2051	15,334	426.99	15,760.99	539.76	16,300.75
9/1/2051	15,372	388.66	15,760.66	539.76	16,300.42
12/1/2051	15,411	350.23	15,761.23	539.76	16,300.99
3/1/2052	15,449	311.70	15,760.70	539.76	16,300.46
6/1/2052	15,488	273.08	15,761.08	539.76	16,300.84
9/1/2052	15,527	234.36	15,761.36	539.76	16,301.12
12/1/2052	15,565	195.54	15,760.54	539.76	16,300.30
3/1/2053	15,604	156.63	15,760.63	539.76	16,300.39
6/1/2053	15,643	117.62	15,760.62	539.76	16,300.38
9/1/2053	15,682	78.51	15,760.51	539.76	16,300.27
12/1/2053	15,722	39.31	15,761.31	539.76	16,301.07
	1,632,223	259,080.67	1,891,303.67	64,771.20	1,956,074.87

Notes:

1. $5,433.60 from 12/01/2023 through 11/01/2053 (based on maximum quarterly payment of $16,301.12 and monthly payment rounded up to the nearest cent)
2. Reserve Fund equal to maximum annual debt service.
3. Admin Fee calculated based on percent of bond value computed quarterly paid in equal quarterly payments rounded up to the nearest cent.

Bond Debt Service
City of Clarksburg
DWTRF
$440,558
0% Interest Rate
No Administrative Fee
30 Years

Dated Date 4/25/2023
Delivery Date 4/25/2023

Period Ending	Principal	Interest	Debt Service
3/1/2024	3,672		3,672
6/1/2024	3,672		3,672
9/1/2024	3,672		3,672
12/1/2024	3,672		3,672
3/1/2025	3,672		3,672
6/1/2025	3,672		3,672
9/1/2025	3,672		3,672
12/1/2025	3,672		3,672
3/1/2026	3,672		3,672
6/1/2026	3,672		3,672
9/1/2026	3,672		3,672
12/1/2026	3,672		3,672
3/1/2027	3,672		3,672
6/1/2027	3,672		3,672
9/1/2027	3,672		3,672
12/1/2027	3,672		3,672
3/1/2028	3,672		3,672
6/1/2028	3,672		3,672
9/1/2028	3,672		3,672
12/1/2028	3,672		3,672
3/1/2029	3,672		3,672
6/1/2029	3,672		3,672
9/1/2029	3,672		3,672
12/1/2029	3,672		3,672
3/1/2030	3,672		3,672
6/1/2030	3,672		3,672
9/1/2030	3,672		3,672
12/1/2030	3,672		3,672
3/1/2031	3,672		3,672
6/1/2031	3,672		3,672
9/1/2031	3,672		3,672
12/1/2031	3,672		3,672
3/1/2032	3,672		3,672
6/1/2032	3,672		3,672
9/1/2032	3,672		3,672
12/1/2032	3,672		3,672
3/1/2033	3,672		3,672
6/1/2033	3,671		3,671
9/1/2033	3,671		3,671
12/1/2033	3,671		3,671
3/1/2034	3,671		3,671
6/1/2034	3,671		3,671

Mar 27, 2023 4:38 pm Prepared by Piper Sandler (WDA:LOANS-CLARK223) 2

Bond Debt Service
City of Clarksburg
DWTRF
$440,558
0% Interest Rate
No Administrative Fee
30 Years

Period Ending	Principal	Interest	Debt Service
9/1/2034	3,671		3,671
12/1/2034	3,671		3,671
3/1/2035	3,671		3,671
6/1/2035	3,671		3,671
9/1/2035	3,671		3,671
12/1/2035	3,671		3,671
3/1/2036	3,671		3,671
6/1/2036	3,671		3,671
9/1/2036	3,671		3,671
12/1/2036	3,671		3,671
3/1/2037	3,671		3,671
6/1/2037	3,671		3,671
9/1/2037	3,671		3,671
12/1/2037	3,671		3,671
3/1/2038	3,671		3,671
6/1/2038	3,671		3,671
9/1/2038	3,671		3,671
12/1/2038	3,671		3,671
3/1/2039	3,671		3,671
6/1/2039	3,671		3,671
9/1/2039	3,671		3,671
12/1/2039	3,671		3,671
3/1/2040	3,671		3,671
6/1/2040	3,671		3,671
9/1/2040	3,671		3,671
12/1/2040	3,671		3,671
3/1/2041	3,671		3,671
6/1/2041	3,671		3,671
9/1/2041	3,671		3,671
12/1/2041	3,671		3,671
3/1/2042	3,671		3,671
6/1/2042	3,671		3,671
9/1/2042	3,671		3,671
12/1/2042	3,671		3,671
3/1/2043	3,671		3,671
6/1/2043	3,671		3,671
9/1/2043	3,671		3,671
12/1/2043	3,671		3,671
3/1/2044	3,671		3,671
6/1/2044	3,671		3,671
9/1/2044	3,671		3,671
12/1/2044	3,671		3,671
3/1/2045	3,671		3,671
6/1/2045	3,671		3,671
9/1/2045	3,671		3,671
12/1/2045	3,671		3,671

Bond Debt Service
City of Clarksburg
DWTRF
$440,558
0% Interest Rate
No Administrative Fee
30 Years

Period Ending	Principal	Interest	Debt Service
3/1/2046	3,671		3,671
6/1/2046	3,671		3,671
9/1/2046	3,671		3,671
12/1/2046	3,671		3,671
3/1/2047	3,671		3,671
6/1/2047	3,671		3,671
9/1/2047	3,671		3,671
12/1/2047	3,671		3,671
3/1/2048	3,671		3,671
6/1/2048	3,671		3,671
9/1/2048	3,671		3,671
12/1/2048	3,671		3,671
3/1/2049	3,671		3,671
6/1/2049	3,671		3,671
9/1/2049	3,671		3,671
12/1/2049	3,671		3,671
3/1/2050	3,671		3,671
6/1/2050	3,671		3,671
9/1/2050	3,671		3,671
12/1/2050	3,671		3,671
3/1/2051	3,671		3,671
6/1/2051	3,671		3,671
9/1/2051	3,671		3,671
12/1/2051	3,671		3,671
3/1/2052	3,671		3,671
6/1/2052	3,671		3,671
9/1/2052	3,671		3,671
12/1/2052	3,671		3,671
3/1/2053	3,671		3,671
6/1/2053	3,671		3,671
9/1/2053	3,671		3,671
12/1/2053	3,672		3,672
	440,558		440,558

Notes:

1. $1,224 from 12/01/2023 through 11/01/2053 (based on maximum quarterly payment of $3,672 and monthly payment rounded up to the nearest cent)
2. Reserve Fund equal to maximum annual debt service.

LOAN AGREEMENT
DESIGN/STANDARD AND
DESIGN/LEAD SERVICE LINE

THIS DRINKING WATER TREATMENT REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), acting under the direction of the WEST VIRGINIA BUREAU FOR PUBLIC HEALTH, a division of the West Virginia Department of Health and Human Resources (the "BPH"), and the local entity designated below (the "Local Entity").

CITY OF CLARKSBURG
(2022W-2234 / 22DWTRFA001LSLD
(Local Entity)

W I T N E S S E T H:

WHEREAS, the United States Congress under Section 1452 of the Safe Drinking Water Act, as amended (the "Safe Drinking Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining drinking water treatment revolving funds for the construction, acquisition and improvement of drinking water systems;

WHEREAS, pursuant to the provisions of Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a drinking water treatment revolving fund program (the "Program") to direct the distribution of loans to eligible Local Entities pursuant to the Safe Drinking Water Act;

WHEREAS, under the Act the BPH 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 §66.468 (1998)) and BPH has been awarded capitalization grants to partially fund the Program;

WHEREAS, the Act establishes a permanent perpetual fund known as the "West Virginia Drinking Water Treatment Revolving Fund" (hereinafter the "Fund"), which fund is administered and managed by the Authority under the direction of the BPH;

WHEREAS, in addition to the standard deposits to the Fund, the BPH has been awarded a DWTRF Lead Service Replacement Line Grant IIJA pursuant to the Bipartisan Infrastructure Investment and Jobs Act, Public Law 117-58 ("BIL"), to capitalize the DWTRF with an emphasis on lead service line replacement and associated activities directly connected to the identification, planning, design, and replacement of lead service lines;

WHEREAS, pursuant to the Act, the Authority and BPH are empowered to make loans from the Fund to Local Entities for the design, acquisition or construction of drinking water projects by such Local Entities, all subject to such provisions and limitations as are contained in BIL, the Safe Drinking Water Act and the Act;

WHEREAS, the Local Entity constitutes a local entity as defined by the Act;

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

WHEREAS, the Local Entity is authorized and empowered by the statutes of the State to identify, study, plan, design, acquire, construct, improve, operate and maintain a drinking water 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 Entity;

WHEREAS, the Local Entity desires to make improvements to its System and has committed to the identification, planning, design, and/or replacement of lead service lines and intends to construct, is constructing or has constructed such a drinking water project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS, the Local Entity has completed and filed with the Authority and BPH an Application for Design Loans, including funding for the design of lead service line replacements with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference;

WHEREAS, the Local Entity will issue one or more revenue bonds to evidence its indebtedness to the Fund for the funds advanced to pay the costs of the design of the Project; and

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and BPH are willing to lend the Local Entity the amounts set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Entity with moneys held in the Fund, subject to the Local Entity'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 Entity, BPH 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 entity," and "project" have the definitions and meanings ascribed to them in the Act or in the DWTRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto.

1.3 "Cross Cutter Authorities" means federal laws and authorities that apply by their terms to projects or activities receiving federal assistance.

1.4 "DWTRF Regulations" means the regulations set forth in the West Virginia Code of State Regulations.

1.5 "Loan" means the loan to be made by the Authority and BPH to the Local Entity through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.6 "Local Act" means the official action of the Local Entity required by Section 4.1 hereof, authorizing the Local Bonds.

1.7 "Local Bonds" means the revenue bonds to be issued by the Local Entity in one or more series 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, including funding for lead service lines, all in accordance with the provisions of this Loan Agreement.

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

1.9 "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.

1.10 "Program" means the drinking water facility acquisition, construction and improvement program coordinated through the capitalization grants program, including design and construction related to the lead service line inventory and replacement, established under BIL and the Safe Drinking Water Act and administered by BPH.

1.11 "Project" means the design drinking water project, including the design of lead service line replacement, hereinabove referred to, to be designed by the Local Entity in whole or in part with the net proceeds of the Local Bonds, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.12 "System" means the drinking water system owned by the Local Entity, 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 design of the facilities described in the Application, to be constructed in accordance with plans, specifications and designs prepared for the Local Entity by the Consulting Engineers, the BPH 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 Entity 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 to be prepared for the Local Entity 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 Entity, subject to any statutory 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 BPH and the Authority or otherwise occurs in compliance with Local Act.

2.4 The Local Entity agrees that the Authority and BPH 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 Entity further agrees that the Authority and BPH 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 BPH with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Entity shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Local Entity shall permit the Authority and BPH, 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 Entity shall submit to the Authority and BPH 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 Entity agrees that it will permit the Authority and BPH and their respective agents to have access to the records of the Local Entity pertaining to the design, 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 Reserved.

2.8 The Local Entity shall require that each of its contractors and all subcontractors maintain, during the life of any design contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and BPH and shall verify or have verified such insurance prior to commencement of construction.

2.9 The Local Entity shall provide and maintain competent and adequate engineering services satisfactory to the Authority and BPH covering the supervision and inspection of the development and design of the Project.

2.10 The Local Entity shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Entity shall employ qualified operating personnel properly certified by the State.

2.11 The Local Entity hereby covenants and agrees to comply with all applicable federal and state statutes, rules and regulations, the applicable requirements of all Cross Cutter Authorities and all applicable local ordinances issued by the Authority, BPH or other State, federal or local bodies in regard to the design of the Project and operation, maintenance and use of the System.

2.12 The Local Entity must complete the Monthly Financial Report, the form of which is attached hereto as Exhibit A and incorporated herein by reference, and forward it to the Authority by the 10th day of each month, commencing on the month after the loan contracts are executed for the acquisition or construction of the Project and ending after three years. After the three-year period, it or an equivalent tracking form should continue to be completed and reviewed monthly for the utility's management to monitor its financial debt service coverage for the life of the loan. This form would be on file with the utility records according to the utility's records management policy.

2.13 Reserved.

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

ARTICLE III
Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and BPH to make the Loan is subject to the Local Entity's fulfillment, to the satisfaction of the Authority and BPH, 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 Entity shall have delivered to BPH and the Authority a report listing the specific purposes for which the proceeds of the Loan will be expended;

(b) The Local Entity 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 Entity 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 Entity shall have entered into contracts for the design of the Project, which are in an amount and otherwise compatible with the plan of financing described in the Application;

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

(f) The Local Entity shall have obtained all requisite orders required by the laws of the State and the West Virginia Infrastructure and Jobs Development Council necessary for the design of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal, and the Authority and BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, or bond counsel but must be satisfactory to the Authority and BPH, to such effect;

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

(h) The Local Entity 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, with all requisite appeal periods having expired without successful appeal, and the Authority and BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, or bond counsel but must be satisfactory to the Authority and BPH, 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 BPH shall

have received a certificate of the accountant for the Local Entity, or such other person or firm experienced in the finances of local entities and satisfactory to the Authority and BPH, to such effect;

(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 design of the Project as set forth in the Application, and the Authority and BPH shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of drinking water projects and satisfactory to the Authority and BPH, to such effect, such certificate to be in form and substance satisfactory to the Authority and BPH, and evidence satisfactory to the Authority and BPH of such irrevocably committed grants; and

(k) Reserved.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the BPH, including the DWTRF 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 Entity and the Local Entity shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Entity 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 Entity 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, BPH and the Local Entity. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority.

3.5 The Local Entity understands and acknowledges that it is one of several local entities which have applied to the Authority and BPH for loans from the Fund to finance drinking water projects and that the obligation of the Authority to make any such loan is subject to the Local Entity'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 Entity 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 execution of this Loan

Agreement, the Authority may purchase the bonds of other local entities set out in the State Project Priority List, as defined in the DWTRF Regulations. The Local Entity further specifically recognizes that all loans will be originated in conjunction with the DWTRF Regulations and with the prior approval of BPH or such later date as is agreed to in writing by the BPH.

3.6 The Local Entity shall provide BPH with the appropriate documentation to comply with the special conditions regarding the special requirements established by federal and State regulations as set forth in Exhibit D attached hereto at such times as are set forth therein.

3.7 The Local Entity shall comply with the following conditions:

(a) The Local Entity shall develop and implement an asset management plan in accordance with BPH guidelines and approved by BPH.

(b) The Local Entity shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying.

(c) The Local Entity shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds $10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

(d) The Local Entity shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by BPH, the Local Entity shall provide certifications as to compliance.

(e) The Local Entity shall comply with all requests for data related to the use of the funds provided under this agreement.

(f) The Local Entity shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this Agreement and (2) interview any officer or employee of the Local Entity.

(g) The Local Entity must promptly refer to EPA's Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this Agreement.

(h) The Local Entity shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

(i) To the extent required by law, the Local Entity 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 31 of title 40, United States Code. If applicable, the Local Entity must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

(j) To the extent required by law, pursuant to 40 CFR, Section 33.301, the Local Entity agrees to make Disadvantage Business Enterprise (DBE) good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Entity shall provide BPH with DBE participation reports quarterly.

(k) To the extent required by law, the Local Entity shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Entity shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and Local Entities, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

(l) If applicable, the Local Entity shall comply with all federal requirements applicable to the Loan (including those imposed by BIL, P.L. 113-76, Consolidated Appropriations Act, 2014, the Infrastructure Investment and Jobs Act ("IIJA"), Public Law No. 117-58 and related SRF Policy Guidelines issued by the EPA) which the Local Entity understands includes, among other things, requirements that all of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States ("Build America, Buy America Requirement") unless (i) the Local Entity has requested and obtained a waiver from the EPA or another application agency pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) the BPH and other funding agencies, if applicable, have otherwise advised the Local Entity in writing that the Build America, Buy America Requirements are not applicable to the Project.

(m) The Local Entity shall comply with all record keeping and reporting requirements under the Safe Drinking Water Act and other funding agencies, if applicable, including any reports required by a Federal agency or the BPH such as performance indicators of program deliverables, information on costs and Project progress. The Local Entity 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 Safe Drinking Water Act and other funding agencies, if applicable, and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Bonds, termination and/or repayment of grants,

cooperative agreements, direct assistance or other types of financial assistance, and/or other remedial actions.

(n) The Local Entity covenants and agrees to not expend any proceeds of the Loan or enter into any contracts for components and services prohibited by 2 CFR 200.216 (Prohibition on certain telecommunication and video surveillance services or equipment), implementing section 889 of Public Law 115-232. Prior to entering into any contracts the Local Entity shall certify to BPH in writing that it has reviewed all contracts against the excluded parties list in the System for Award Management (www.sam.gov).

3.8 The Local Entity shall fund and maintain a working capital fund with a balance of not less than one eighth (1/8) of the Local Entity's actual annual operating and maintenance expenses. This fund is separate from and in addition to the renewal and replacement fund required under Section 4.1(a)(iii) hereof.

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

4.1 The Local Entity shall, as one of the conditions of the Authority and BPH to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Entity 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 Entity 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 gross or net revenues, as applicable, 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 Entity will complete the design of the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the DWTRF Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized 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 the 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 Entity 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;

(vi) That the Local Entity 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 Entity 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 Entity 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 design 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 Entity will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Entity shall annually, within six months of the end of the fiscal year, cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority. If the Local Entity receives $750,000 or more (in any combination of federal funds) in a fiscal year, the audit shall be obtained in accordance with 2 CFR 200 Subpart F (or any successor thereto). Financial statement audits are required once all funds have been received by the Local Entity. The audit 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 Entity's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Entity 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 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 Entity 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 funding of such Local Entity, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the BPH, 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 Entity may authorize redemption of the Local Bonds with 30 days written notice to BPH and the Authority and only with the written consent of the BPH and Authority;

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

(xvii) That, unless waived by the Authority the Local Entity shall authorize a sweep resolution so that monthly payments can be made to the Commission electronically. If not waived by the Authority, the Local Entity 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 Entity shall complete the Monthly Payment Form, attached hereto as Exhibit D 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; and

(xviii) That the Local Entity shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate its services to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore such services until all delinquent charges for the services of the System have been fully paid.

The Local Entity 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 counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit D.

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

4.3 At least two and one-half percent (2½%) 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 Authority monthly as required by the Local Entity 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 Entity, the BPH 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 DWTRF Regulations, provided that the 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 Entity. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

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

4.7 If a Local Entity does not draw down all of the proceeds of the Local Bonds within six months of a receipt of a substantial completion certificate or such other time as determined by BPH, the BPH will instruct the Authority to process a final draw on the Local Bonds. BPH will instruct the Authority to advance the remaining proceeds of the Local Bond to the Commission for deposit in the Local Bond's Debt Service Reserve Account.

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

5.1 The Local Entity 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 Entity 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 Entity

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 appropriate statutory body 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 Entity 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 Entity hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Entity, 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 Entity

6.1 The Local Entity hereby acknowledges to the Authority and BPH its understanding of the provisions of the Act, vesting in the Authority and BPH certain powers, rights and privileges with respect to drinking water projects in the event of default by local entities in the terms and covenants of this Loan Agreement, and the Local Entity hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Entity 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 Entity hereby warrants and represents that all information provided to the Authority and BPH 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 BPH 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 BPH by the Local Entity in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Entity 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 DWTRF Regulations or this Loan Agreement.

6.3 The Local Entity 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, provided that such repayment shall not be made from the proceeds of the Loan.

6.4 The Local Entity hereby covenants that, if required by the Authority, 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 Entity fails to make any such rebates as required, then the Local Entity 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 if such interest is indicated to be so excluded in the opinion delivered in connection with the closing of Loan.

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

6.6 The Local Entity hereby agrees to give the Authority 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 Entity hereby agrees to file with the Authority upon completion of acquisition and construction of the Project a schedule setting forth the actual costs of the Project and sources of funds.

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 Entity 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 Entity specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority if the Authority simultaneously advances the proceeds, or the initial advance thereof, of the Loan as herein provided 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 Entity from either the Authority or BPH;

(ii) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the BPH if the Local Entity has failed to deliver the Local Bonds to the Authority;

(iii) termination by the Authority and BPH pursuant to Section 6.2 hereof; or

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Entity to the Authority or BPH.

In the event funds are not available to make all of the Loan, the responsibility of the Authority and BPH to make all the Loan is terminated; provided further that the obligation of the Local Entity to repay the outstanding amount of the Loan made by the Authority and BPH is not terminated due to such non-funding on any balance of the Loan which has been refunded and is then repayable pursuant to the terms hereof. The BPH agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. 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.

CITY OF CLARKSBURG

(SEAL)

By: James Marino
Its: Mayor
Date: April 25, 2023

By: Stuart Pulice
Its: City Manager
Date: April 25, 2023

Attest:

Annette Wright
Its: City Clerk

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: [signature]
Its: Executive Director
Date: April 25, 2023

Attest:

[signature]
Its: Authorized Officer

EXHIBIT A

Monthly Financial Report

Name of Local Entity: _____
Funding Agency Project No.: _____
Type of Project: ☐ Water ☐ Wastewater
Fiscal Year: _____
Report Month: _____

Item	Current Month	Total Year to Date	Budget Year to Date	***Budget Year to Date Minus Total Year to Date**
1. Gross Revenues:	0	0	0	**0**
2. Operating Expenses: (Including Admin Fees)	0	0	0	**0**
3. Renewal and Replacement Fund Deposits:	0	0	0	**0**
	Adequate R&R Deposit	**Adequate R&R Deposit**	**Adequate R&R Deposit**	
4. ***Net Revenue: (Equation: 1-2)**	**0**	**0**	**0**	**0**
5. Bond Payments: (Principal and Interest)				
Type of Issue				
Clean water SRF:				**0**
Drinking water SRF:				**0**
Infrastructure Fund:				**0**
Water Dev. Authority:				**0**
Rural Utilities Service:				**0**
Economic Development:				**0**
Other: (Identify Below)				**0**
***Bond Payment Total:**	**0**	**0**	**0**	**0**
6.				
***Calculated Debt Coverage: (Equation: 4/6 * 100%)**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	
7.	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	

_____
Name of Person Completing Form / Date

_____
Address

_____
Telephone Number

Please enter financial data in Grey cells. (If applicable)
*** Self Calculating Formula**

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT (EXHIBIT A)	
Item 1:	You will need a copy of the current fiscal year budget adopted by the Local Entity 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 Entity 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 Entity.
The Local Entity must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10th day of each month, commencing for the month after the loan contracts are executed for the acquisition or construction of the Project and ending after three years.	

EXHIBIT B

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Entity agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking 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. EXHIBIT C-1 – The Local Entity shall complete the form attached as Exhibit C-1 and submit to the BPH prior to the Closing.

C. WAGE RATES – All references to contractors and wage rates will not be applicable for the Local Entity.

D. DESIGN ONLY – Requirements herein that relate solely to construction are hereby waived.

EXHIBIT B-1

For DHHR Use Only:
Grant Number _____

West Virginia Department of Health and Human Resources
Subrecipient (Grantee) Information Form – DHHR Finance A-1000
Please see the Instructions for Completion of the Subrecipient (Grantee) Information Form

1. Subrecipient (Grantee) Legal Name	2. Subrecipient (Grantee) DBA Name

3. Subrecipient (Grantee) 9-Digit DUNS Number

4. Subrecipient (Grantee) Physical Location			
Street 1:		***State:***	
Street 2:		***Zip +4:***	
City:		***County:***	

5. Subrecipient (Grantee) Type (Please check one box only)

- ☐ A - State Government
- ☐ B - County Government
- ☐ C - City or Township Government
- ☐ D - Special District Government
- ☐ E - Regional Organization
- ☐ F - U.S. Territory or Possession
- ☐ G - Independent School District
- ☐ H - Public/State Controlled Institution of Higher Learning
- ☐ I - Indian/Native American Tribal Government (Federally Recognized)
- ☐ J - Indian/Native American Tribal Government (Other than Federally Recognized)
- ☐ K - Indian/Native American Tribally Designated Organization
- ☐ L - Public/Indian Housing Authority
- ☐ M - Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)
- ☐ N - Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education)
- ☐ O - Private Institution of Higher Education
- ☐ P - Individual
- ☐ Q - For-Profit Business (Other than Small Business)
- ☐ R - Small Business
- ☐ S - Hispanic-serving Institution
- ☐ T - Historically Black Colleges and Universities (HBCUs)
- ☐ U - Tribally Controlled Colleges and Universities (TCCUs)
- ☐ V - Alaska Native and Native Hawaiian Serving Institutions
- ☐ W - Non-domestic (non-US) entity
- ☐ X - Other (Please explain) _____

6. Subrecipient (Grantee) Primary Place of Performance			
City:		***Zip +4:***	
State:		***County:***	

7. Subrecipient (Grantee) Highly Compensated Officers (if applicable)

Officer Name	*Title*	*Total Compensation*

NOTE: This form must be signed by an individual no lower than the Executive Director or Chief Financial Officer.

Printed Name _____ Title _____

Signature _____ Date _____ Phone # _____

DHHR Finance A-1000 (Revised Sept 2009)

EXHIBIT C

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 _____ on _____.
[Local Entity] [Date]

Sinking Fund:

Interest$_____

Principal $_____

Total: $_____

Reserve Account: $_____

Witness my signature this ___ day of _____.

_____
[Name of Local Entity]

By: _____
Authorized Officer

Enclosure: wire transfer form

EXHIBIT D

OPINION OF COUNSEL FOR LOCAL ENTITY

[To Be Dated as of Date of Loan Closing]

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

West Virginia Bureau for Public Health
Drinking Water Treatment Revolving Fund Program
350 Capitol Street, Room 313
Charleston, WV 25301-3713

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of a (i) loan agreement dated _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Entity and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and (ii) the issue of a series of revenue bonds of the Local Entity, 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 Entity on _____, as supplemented by the supplemental resolution duly adopted by the Local Entity 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 Entity and is a valid and binding special obligation of the Local Entity, enforceable in accordance with the terms thereof.

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

3. The Local Entity 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 Entity and constitute valid and binding obligations of the Local Entity, enforceable against the Local Entity 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 Entity to the Authority and are valid, legally enforceable and binding special obligations of the Local Entity, payable from the gross or net revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the gross or net 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 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 (Design Standard Non-Lead Service Line)

Principal Amount of Local Bonds	$1,632,223
Purchase Price of Local Bonds	$1,632,223

The Series A Bonds shall bear interest at a rate of 1% per annum. Commencing March 1, 2024, principal of and interest on the Series A 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 Entity authorizes the Commission to electronically sweep its payments monthly. If the Reserve Account is not fully funded at closing, the Local Entity 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 Entity 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 Series A 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 gross or net revenues of the Local Entity's system as provided in the Local Act.

The Local Entity may prepay the Series A Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and BPH and after having received the written consent of the Authority and meeting the rate and parity tests set forth in the Local Act. The Local Entity shall request approval from the Authority and BPH in writing of any proposed debt which will be issued by the Local Entity on a parity with the Series A Bonds which request must be filed at least 60 days prior to the intended date of issuance.

The Series A Bonds are fully registered in the name of the Authority.

The Local Entity shall make monthly payments into the Renewal and Replacement Fund as required by Section 4.1 of this Agreement for at least the term of the Series A Bonds.

The Local Entity shall notify the Authority and the Council of any proposed bond indebtedness secured by the revenues of the System.

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

(1) Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated September 28, 2004, issued in the original aggregate principal amount of $1,885,764;

(2) Water Refunding Revenue Bonds, Series 2021 A (Tax-Exempt), dated March 18, 2021, issued in the original aggregate principal amount of $2,785,000; and

(3) Water Revenue Bonds, Series 2023 B (West Virginia DWTRF Program) issued contemporaneously herewith in the aggregate principal amount of $440,558.

Number of New Customers To Be Served: -0-
Location: City of Clarksburg, Harrison County

B. Series B Bonds (Design Lead Service Line)

Principal Amount of Local Bonds	$440,558
Purchase Price of Local Bonds	$440,558

The Series B Bonds shall bear no interest. Commencing March 1, 2024, principal of the Series B Bonds is payable quarterly, with no administrative fee. 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 Entity authorizes the Commission to electronically sweep its payments monthly. If the Reserve Account is not fully funded at closing, the Local Entity 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 Entity 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 Series B Bonds are fully registered in the name of the Authority as to principal and interest, if any, and the Series B Bonds shall grant the Authority a first lien on the gross or net revenues of the Local Entity's system as provided in the Local Act.

The Local Entity may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and BPH and after obtaining the written consent of the Authority and meeting the rate coverage and parity tests set forth in the Local Act. The Local Entity shall request approval from the Authority and BPH in writing of any proposed debt which will be issued by the Local Entity on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

The Series B Bonds are fully registered in the name of the Authority.

The Local Entity shall make monthly payments into the Renewal and Replacement Fund as required by Section 4.1 of this Agreement for at least the term of the Series B Bonds.

The Local Entity shall notify the Authority and the Council of any proposed bond indebtedness secured by the revenues of the System.

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

(1) Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated September 28, 2004, issued in the original aggregate principal amount of $1,885,764;

(2) Water Refunding Revenue Bonds, Series 2021 A (Tax-Exempt), dated March 18, 2021, issued in the original aggregate principal amount of $2,785,000; and

(3) Water Revenue Bonds, Series 2023 A (West Virginia DWTRF Program) issued contemporaneously herewith in the aggregate principal amount of $1,632,223.

Number of New Customers To Be Served: -0-
Location: City of Clarksburg, Harrison County

C. Series C Bonds (Lead Service Line Principal Forgiveness)

Principal Amount of Local Bonds	$409,169
Purchase Price of Local Bonds	$409,169

The Series C Bonds shall bear no interest. The Authority at the direction of the BPH shall forgive the principal amount of the Series C Bonds. The principal amounts advanced under the Series C Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series C Bonds shall be deemed no longer outstanding after the last advance is forgiven.

SCHEDULE Y
DEBT SERVICE SCHEDULES

Net Debt Service
City of Clarksburg
DWTRF
$1,632,223
1% Interest Rate
0.25% Administration Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
3/1/2024	11,680	4,080.56	15,760.56	539.76	16,300.32
6/1/2024	11,710	4,051.36	15,761.36	539.76	16,301.12
9/1/2024	11,739	4,022.08	15,761.08	539.76	16,300.84
12/1/2024	11,768	3,992.74	15,760.74	539.76	16,300.50
3/1/2025	11,798	3,963.32	15,761.32	539.76	16,301.08
6/1/2025	11,827	3,933.82	15,760.82	539.76	16,300.58
9/1/2025	11,857	3,904.25	15,761.25	539.76	16,301.01
12/1/2025	11,886	3,874.61	15,760.61	539.76	16,300.37
3/1/2026	11,916	3,844.90	15,760.90	539.76	16,300.66
6/1/2026	11,946	3,815.11	15,761.11	539.76	16,300.87
9/1/2026	11,976	3,785.24	15,761.24	539.76	16,301.00
12/1/2026	12,006	3,755.30	15,761.30	539.76	16,301.06
3/1/2027	12,036	3,725.29	15,761.29	539.76	16,301.05
6/1/2027	12,066	3,695.20	15,761.20	539.76	16,300.96
9/1/2027	12,096	3,665.03	15,761.03	539.76	16,300.79
12/1/2027	12,126	3,634.79	15,760.79	539.76	16,300.55
3/1/2028	12,156	3,604.48	15,760.48	539.76	16,300.24
6/1/2028	12,187	3,574.09	15,761.09	539.76	16,300.85
9/1/2028	12,217	3,543.62	15,760.62	539.76	16,300.38
12/1/2028	12,248	3,513.08	15,761.08	539.76	16,300.84
3/1/2029	12,278	3,482.46	15,760.46	539.76	16,300.22
6/1/2029	12,309	3,451.76	15,760.76	539.76	16,300.52
9/1/2029	12,340	3,420.99	15,760.99	539.76	16,300.75
12/1/2029	12,371	3,390.14	15,761.14	539.76	16,300.90
3/1/2030	12,402	3,359.21	15,761.21	539.76	16,300.97
6/1/2030	12,433	3,328.21	15,761.21	539.76	16,300.97
9/1/2030	12,464	3,297.12	15,761.12	539.76	16,300.88
12/1/2030	12,495	3,265.96	15,760.96	539.76	16,300.72
3/1/2031	12,526	3,234.73	15,760.73	539.76	16,300.49
6/1/2031	12,557	3,203.41	15,760.41	539.76	16,300.17
9/1/2031	12,589	3,172.02	15,761.02	539.76	16,300.78
12/1/2031	12,620	3,140.55	15,760.55	539.76	16,300.31
3/1/2032	12,652	3,109.00	15,761.00	539.76	16,300.76
6/1/2032	12,683	3,077.37	15,760.37	539.76	16,300.13
9/1/2032	12,715	3,045.66	15,760.66	539.76	16,300.42
12/1/2032	12,747	3,013.87	15,760.87	539.76	16,300.63
3/1/2033	12,779	2,982.00	15,761.00	539.76	16,300.76
6/1/2033	12,811	2,950.06	15,761.06	539.76	16,300.82
9/1/2033	12,843	2,918.03	15,761.03	539.76	16,300.79
12/1/2033	12,875	2,885.92	15,760.92	539.76	16,300.68
3/1/2034	12,907	2,853.73	15,760.73	539.76	16,300.49
6/1/2034	12,939	2,821.47	15,760.47	539.76	16,300.23
9/1/2034	12,972	2,789.12	15,761.12	539.76	16,300.88
12/1/2034	13,004	2,756.69	15,760.69	539.76	16,300.45
3/1/2035	13,037	2,724.18	15,761.18	539.76	16,300.94
6/1/2035	13,069	2,691.59	15,760.59	539.76	16,300.35

Mar 27, 2023 4:43 pm Prepared by Piper Sandler (WDA:LOANS-CLARK123) 2

Net Debt Service
City of Clarksburg
DWTRF
$1,632,223
1% Interest Rate
0.25% Administration Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
9/1/2035	13,102	2,658.91	15,760.91	539.76	16,300.67
12/1/2035	13,135	2,626.16	15,761.16	539.76	16,300.92
3/1/2036	13,168	2,593.32	15,761.32	539.76	16,301.08
6/1/2036	13,200	2,560.40	15,760.40	539.76	16,300.16
9/1/2036	13,233	2,527.40	15,760.40	539.76	16,300.16
12/1/2036	13,267	2,494.32	15,761.32	539.76	16,301.08
3/1/2037	13,300	2,461.15	15,761.15	539.76	16,300.91
6/1/2037	13,333	2,427.90	15,760.90	539.76	16,300.66
9/1/2037	13,366	2,394.57	15,760.57	539.76	16,300.33
12/1/2037	13,400	2,361.15	15,761.15	539.76	16,300.91
3/1/2038	13,433	2,327.65	15,760.65	539.76	16,300.41
6/1/2038	13,467	2,294.07	15,761.07	539.76	16,300.83
9/1/2038	13,500	2,260.40	15,760.40	539.76	16,300.16
12/1/2038	13,534	2,226.65	15,760.65	539.76	16,300.41
3/1/2039	13,568	2,192.82	15,760.82	539.76	16,300.58
6/1/2039	13,602	2,158.90	15,760.90	539.76	16,300.66
9/1/2039	13,636	2,124.89	15,760.89	539.76	16,300.65
12/1/2039	13,670	2,090.80	15,760.80	539.76	16,300.56
3/1/2040	13,704	2,056.63	15,760.63	539.76	16,300.39
6/1/2040	13,738	2,022.37	15,760.37	539.76	16,300.13
9/1/2040	13,773	1,988.02	15,761.02	539.76	16,300.78
12/1/2040	13,807	1,953.59	15,760.59	539.76	16,300.35
3/1/2041	13,842	1,919.07	15,761.07	539.76	16,300.83
6/1/2041	13,876	1,884.47	15,760.47	539.76	16,300.23
9/1/2041	13,911	1,849.78	15,760.78	539.76	16,300.54
12/1/2041	13,946	1,815.00	15,761.00	539.76	16,300.76
3/1/2042	13,981	1,780.14	15,761.14	539.76	16,300.90
6/1/2042	14,016	1,745.18	15,761.18	539.76	16,300.94
9/1/2042	14,051	1,710.14	15,761.14	539.76	16,300.90
12/1/2042	14,086	1,675.02	15,761.02	539.76	16,300.78
3/1/2043	14,121	1,639.80	15,760.80	539.76	16,300.56
6/1/2043	14,156	1,604.50	15,760.50	539.76	16,300.26
9/1/2043	14,192	1,569.11	15,761.11	539.76	16,300.87
12/1/2043	14,227	1,533.63	15,760.63	539.76	16,300.39
3/1/2044	14,263	1,498.06	15,761.06	539.76	16,300.82
6/1/2044	14,298	1,462.40	15,760.40	539.76	16,300.16
9/1/2044	14,334	1,426.66	15,760.66	539.76	16,300.42
12/1/2044	14,370	1,390.82	15,760.82	539.76	16,300.58
3/1/2045	14,406	1,354.90	15,760.90	539.76	16,300.66
6/1/2045	14,442	1,318.88	15,760.88	539.76	16,300.64
9/1/2045	14,478	1,282.78	15,760.78	539.76	16,300.54
12/1/2045	14,514	1,246.58	15,760.58	539.76	16,300.34
3/1/2046	14,551	1,210.30	15,761.30	539.76	16,301.06
6/1/2046	14,587	1,173.92	15,760.92	539.76	16,300.68
9/1/2046	14,623	1,137.45	15,760.45	539.76	16,300.21
12/1/2046	14,660	1,100.90	15,760.90	539.76	16,300.66

Net Debt Service
City of Clarksburg
DWTRF
$1,632,223
1% Interest Rate
0.25% Administration Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
3/1/2047	14,697	1,064.25	15,761.25	539.76	16,301.01
6/1/2047	14,733	1,027.50	15,760.50	539.76	16,300.26
9/1/2047	14,770	990.67	15,760.67	539.76	16,300.43
12/1/2047	14,807	953.75	15,760.75	539.76	16,300.51
3/1/2048	14,844	916.73	15,760.73	539.76	16,300.49
6/1/2048	14,881	879.62	15,760.62	539.76	16,300.38
9/1/2048	14,918	842.42	15,760.42	539.76	16,300.18
12/1/2048	14,956	805.12	15,761.12	539.76	16,300.88
3/1/2049	14,993	767.73	15,760.73	539.76	16,300.49
6/1/2049	15,031	730.25	15,761.25	539.76	16,301.01
9/1/2049	15,068	692.67	15,760.67	539.76	16,300.43
12/1/2049	15,106	655.00	15,761.00	539.76	16,300.76
3/1/2050	15,144	617.24	15,761.24	539.76	16,301.00
6/1/2050	15,181	579.38	15,760.38	539.76	16,300.14
9/1/2050	15,219	541.42	15,760.42	539.76	16,300.18
12/1/2050	15,257	503.38	15,760.38	539.76	16,300.14
3/1/2051	15,296	465.23	15,761.23	539.76	16,300.99
6/1/2051	15,334	426.99	15,760.99	539.76	16,300.75
9/1/2051	15,372	388.66	15,760.66	539.76	16,300.42
12/1/2051	15,411	350.23	15,761.23	539.76	16,300.99
3/1/2052	15,449	311.70	15,760.70	539.76	16,300.46
6/1/2052	15,488	273.08	15,761.08	539.76	16,300.84
9/1/2052	15,527	234.36	15,761.36	539.76	16,301.12
12/1/2052	15,565	195.54	15,760.54	539.76	16,300.30
3/1/2053	15,604	156.63	15,760.63	539.76	16,300.39
6/1/2053	15,643	117.62	15,760.62	539.76	16,300.38
9/1/2053	15,682	78.51	15,760.51	539.76	16,300.27
12/1/2053	15,722	39.31	15,761.31	539.76	16,301.07
	1,632,223	259,080.67	1,891,303.67	64,771.20	1,956,074.87

Notes:

1. $5,433.60 from 12/01/2023 through 11/01/2053 (based on maximum quarterly payment of $16,301.12 and monthly payment rounded up to the nearest cent)
2. Reserve Fund equal to maximum annual debt service.
3. Admin Fee calculated based on percent of bond value computed quarterly paid in equal quarterly payments rounded up to the nearest cent.

Bond Debt Service
City of Clarksburg
DWTRF
$440,558
0% Interest Rate
No Administrative Fee
30 Years

Dated Date 4/25/2023
Delivery Date 4/25/2023

Period Ending	Principal	Interest	Debt Service
3/1/2024	3,672		3,672
6/1/2024	3,672		3,672
9/1/2024	3,672		3,672
12/1/2024	3,672		3,672
3/1/2025	3,672		3,672
6/1/2025	3,672		3,672
9/1/2025	3,672		3,672
12/1/2025	3,672		3,672
3/1/2026	3,672		3,672
6/1/2026	3,672		3,672
9/1/2026	3,672		3,672
12/1/2026	3,672		3,672
3/1/2027	3,672		3,672
6/1/2027	3,672		3,672
9/1/2027	3,672		3,672
12/1/2027	3,672		3,672
3/1/2028	3,672		3,672
6/1/2028	3,672		3,672
9/1/2028	3,672		3,672
12/1/2028	3,672		3,672
3/1/2029	3,672		3,672
6/1/2029	3,672		3,672
9/1/2029	3,672		3,672
12/1/2029	3,672		3,672
3/1/2030	3,672		3,672
6/1/2030	3,672		3,672
9/1/2030	3,672		3,672
12/1/2030	3,672		3,672
3/1/2031	3,672		3,672
6/1/2031	3,672		3,672
9/1/2031	3,672		3,672
12/1/2031	3,672		3,672
3/1/2032	3,672		3,672
6/1/2032	3,672		3,672
9/1/2032	3,672		3,672
12/1/2032	3,672		3,672
3/1/2033	3,672		3,672
6/1/2033	3,671		3,671
9/1/2033	3,671		3,671
12/1/2033	3,671		3,671
3/1/2034	3,671		3,671
6/1/2034	3,671		3,671

Mar 27, 2023 4:38 pm Prepared by Piper Sandler (WDA:LOANS-CLARK223) 2

Bond Debt Service
City of Clarksburg
DWTRF
$440,558
0% Interest Rate
No Administrative Fee
30 Years

Period Ending	Principal	Interest	Debt Service
9/1/2034	3,671		3,671
12/1/2034	3,671		3,671
3/1/2035	3,671		3,671
6/1/2035	3,671		3,671
9/1/2035	3,671		3,671
12/1/2035	3,671		3,671
3/1/2036	3,671		3,671
6/1/2036	3,671		3,671
9/1/2036	3,671		3,671
12/1/2036	3,671		3,671
3/1/2037	3,671		3,671
6/1/2037	3,671		3,671
9/1/2037	3,671		3,671
12/1/2037	3,671		3,671
3/1/2038	3,671		3,671
6/1/2038	3,671		3,671
9/1/2038	3,671		3,671
12/1/2038	3,671		3,671
3/1/2039	3,671		3,671
6/1/2039	3,671		3,671
9/1/2039	3,671		3,671
12/1/2039	3,671		3,671
3/1/2040	3,671		3,671
6/1/2040	3,671		3,671
9/1/2040	3,671		3,671
12/1/2040	3,671		3,671
3/1/2041	3,671		3,671
6/1/2041	3,671		3,671
9/1/2041	3,671		3,671
12/1/2041	3,671		3,671
3/1/2042	3,671		3,671
6/1/2042	3,671		3,671
9/1/2042	3,671		3,671
12/1/2042	3,671		3,671
3/1/2043	3,671		3,671
6/1/2043	3,671		3,671
9/1/2043	3,671		3,671
12/1/2043	3,671		3,671
3/1/2044	3,671		3,671
6/1/2044	3,671		3,671
9/1/2044	3,671		3,671
12/1/2044	3,671		3,671
3/1/2045	3,671		3,671
6/1/2045	3,671		3,671
9/1/2045	3,671		3,671
12/1/2045	3,671		3,671

Bond Debt Service
City of Clarksburg
DWTRF
$440,558
0% Interest Rate
No Administrative Fee
30 Years

Period Ending	Principal	Interest	Debt Service
3/1/2046	3,671		3,671
6/1/2046	3,671		3,671
9/1/2046	3,671		3,671
12/1/2046	3,671		3,671
3/1/2047	3,671		3,671
6/1/2047	3,671		3,671
9/1/2047	3,671		3,671
12/1/2047	3,671		3,671
3/1/2048	3,671		3,671
6/1/2048	3,671		3,671
9/1/2048	3,671		3,671
12/1/2048	3,671		3,671
3/1/2049	3,671		3,671
6/1/2049	3,671		3,671
9/1/2049	3,671		3,671
12/1/2049	3,671		3,671
3/1/2050	3,671		3,671
6/1/2050	3,671		3,671
9/1/2050	3,671		3,671
12/1/2050	3,671		3,671
3/1/2051	3,671		3,671
6/1/2051	3,671		3,671
9/1/2051	3,671		3,671
12/1/2051	3,671		3,671
3/1/2052	3,671		3,671
6/1/2052	3,671		3,671
9/1/2052	3,671		3,671
12/1/2052	3,671		3,671
3/1/2053	3,671		3,671
6/1/2053	3,671		3,671
9/1/2053	3,671		3,671
12/1/2053	3,672		3,672
	440,558		440,558

Notes:

1. $1,224 from 12/01/2023 through 11/01/2053 (based on maximum quarterly payment of $3,672 and monthly payment rounded up to the nearest cent)
2. Reserve Fund equal to maximum annual debt service.



Wayne Morgan
Executive Director

cc: WDA, Marie Prezioso
DWTRF, Meredith J Vance

City of Clarksburg
Waterworks System Design Revenue Bonds, Series 2023 A
(West Virginia DWTRF Program)
Waterworks System Design Revenue Bonds, Series 2023 B
(West Virginia DWTRF Lead Service Line Program)
Waterworks System Design Revenue Bonds, Series 2023 C
(West Virginia DWTRF Lead Service Line Program/Forgivable)

CROSS-RECEIPT FOR SERIES 2023 BONDS AND BOND PROCEEDS

On the 25th day of April, 2023, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor and City Manager of the City of Clarksburg (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Waterworks System Design Revenue Bonds, Series 2023 A (West Virginia DWTRF Program), of the Issuer, in the principal amount of $1,632,223, numbered AR-1 (the "Series 2023 A Bonds"), issued as a single, fully registered bond, and dated April 25, 2023.

2. On the date hereof, the Authority received the Waterworks System Design Revenue Bonds, Series 2023 B (West Virginia DWTRF Program), of the Issuer, in the principal amount of $440,558, numbered BR-1 (the "Series 2023 B Bonds"), issued as a single, fully registered bond, and dated April 25, 2023.

3. On the date hereof, the Authority received the Waterworks System Design Revenue Bonds, Series 2023 C (West Virginia DWTRF Program/Forgivable), of the Issuer, in the principal amount of $409,169, numbered CR-1 (the "Series 2023 C Bonds," together with the Series 2023 A Bonds and the Series 2023 B Bonds, the "Series 2023 Bonds"), issued as a single, fully registered bond, and dated April 25, 2023.

4. At the time of such receipt, all the Series 2023 Bonds had been executed by the Mayor, City Manager and the City Clerk of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Series 2023 Bonds.

5. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2023 A Bonds, of the sum of $492,693, being a portion of the principal amount of the Series 2023 A Bonds. The balance of the principal amount of the Series 2023 A Bonds will be advanced by the Authority and the West Virginia Bureau for Public Health to the Issuer as the Design Project progresses.

6. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2023 B Bonds, of the sum of $14,688, being a portion of the principal

amount of the Series 2023 B Bonds. The balance of the principal amount of the Series 2023 B Bonds will be advanced by the Authority and the West Virginia Bureau for Public Health to the Issuer as the Design Project progresses.

7. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2023 C Bonds, of the sum of $-0-, being a portion of the principal amount of the Series 2023 C Bonds. The balance of the principal amount of the Series 2023 C Bonds will be advanced by the Authority and the West Virginia Bureau for Public Health to the Issuer as the Design Project progresses.

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Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By:_____
Its: Authorized Representative

CITY OF CLARKSBURG

By:_____
Its: Mayor

By:_____
Its: City Manager

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG
WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $1,632,223

KNOW ALL PERSONS BY THESE PRESENTS: This 25th day of April, 2023, that the CITY OF CLARKSBURG, a municipal corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION SIX HUNDRED THIRTY TWO THOUSAND TWO HUNDRED TWENTY THREE DOLLARS ($1,632,223), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2023, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing December 1, 2023 to and including December 1, 2053, at the rate of 1.0% per annum as set forth on EXHIBIT B attached hereto.

The Administrative Fee of 0.25% (as defined in the hereinafter described Bond Legislation) shall also be payable by the Issuer to the Authority quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2023 to and including December 1, 2053, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority on behalf of the West Virginia Bureau for Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated April 25, 2023.

This Bond is issued (i) to pay a portion of the costs of design and other pre-construction activities of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Design Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Design Project, and any further extensions, additions, betterments or 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 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on April 6, 2023, and a Supplemental Resolution duly adopted by the Issuer on April 6, 2023 (collectively,

the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED SEPTEMBER 28, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,885,764 (THE "SERIES 2004 A BONDS"); (2) WATER REFUNDING REVENUE BONDS, SERIES 2021 A (TAX-EXEMPT), DATED MARCH 18, 2021, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,785,000 (THE "SERIES 2021 A BONDS" AND, COLLECTIVELY, WITH THE SERIES 2004 A BONDS, THE "PRIOR BONDS"); AND 3) WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 B (WEST VIRGINIA DWTRF LEAD SERVICE LINE PROGRAM) ISSUED CONTEMPORANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $440,558 (the "SERIES 2023 B BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2023 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2023 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the 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 so long as the Prior Bonds are outstanding to leave a balance each year to provide such coverage therefore as required by the Prior Ordinances and thereafter 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 on a parity with the Bonds; provided however, that so long as there exists in the Series 2023 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other parity obligations outstanding, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Design 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 required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest, if any, on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

James Marino
Mayor

Stuart Price
City Manager

ATTEST:

Annette Wright
City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2023 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: April 25, 2023.

UNITED BANK
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $492,693.00	April 25, 2023	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $492,693.00

EXHIBIT B

DEBT SERVICE SCHEDULE

Net Debt Service

City of Clarksburg

DWTRF

$1,632,223

1% Interest Rate

0.25% Administration Fee

30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
3/1/2024	11,680	4,080.56	15,760.56	539.76	16,300.32
6/1/2024	11,710	4,051.36	15,761.36	539.76	16,301.12
9/1/2024	11,739	4,022.08	15,761.08	539.76	16,300.84
12/1/2024	11,768	3,992.74	15,760.74	539.76	16,300.50
3/1/2025	11,798	3,963.32	15,761.32	539.76	16,301.08
6/1/2025	11,827	3,933.82	15,760.82	539.76	16,300.58
9/1/2025	11,857	3,904.25	15,761.25	539.76	16,301.01
12/1/2025	11,886	3,874.61	15,760.61	539.76	16,300.37
3/1/2026	11,916	3,844.90	15,760.90	539.76	16,300.66
6/1/2026	11,946	3,815.11	15,761.11	539.76	16,300.87
9/1/2026	11,976	3,785.24	15,761.24	539.76	16,301.00
12/1/2026	12,006	3,755.30	15,761.30	539.76	16,301.06
3/1/2027	12,036	3,725.29	15,761.29	539.76	16,301.05
6/1/2027	12,066	3,695.20	15,761.20	539.76	16,300.96
9/1/2027	12,096	3,665.03	15,761.03	539.76	16,300.79
12/1/2027	12,126	3,634.79	15,760.79	539.76	16,300.55
3/1/2028	12,156	3,604.48	15,760.48	539.76	16,300.24
6/1/2028	12,187	3,574.09	15,761.09	539.76	16,300.85
9/1/2028	12,217	3,543.62	15,760.62	539.76	16,300.38
12/1/2028	12,248	3,513.08	15,761.08	539.76	16,300.84
3/1/2029	12,278	3,482.46	15,760.46	539.76	16,300.22
6/1/2029	12,309	3,451.76	15,760.76	539.76	16,300.52
9/1/2029	12,340	3,420.99	15,760.99	539.76	16,300.75
12/1/2029	12,371	3,390.14	15,761.14	539.76	16,300.90
3/1/2030	12,402	3,359.21	15,761.21	539.76	16,300.97
6/1/2030	12,433	3,328.21	15,761.21	539.76	16,300.97
9/1/2030	12,464	3,297.12	15,761.12	539.76	16,300.88
12/1/2030	12,495	3,265.96	15,760.96	539.76	16,300.72
3/1/2031	12,526	3,234.73	15,760.73	539.76	16,300.49
6/1/2031	12,557	3,203.41	15,760.41	539.76	16,300.17
9/1/2031	12,589	3,172.02	15,761.02	539.76	16,300.78
12/1/2031	12,620	3,140.55	15,760.55	539.76	16,300.31
3/1/2032	12,652	3,109.00	15,761.00	539.76	16,300.76
6/1/2032	12,683	3,077.37	15,760.37	539.76	16,300.13
9/1/2032	12,715	3,045.66	15,760.66	539.76	16,300.42
12/1/2032	12,747	3,013.87	15,760.87	539.76	16,300.63
3/1/2033	12,779	2,982.00	15,761.00	539.76	16,300.76
6/1/2033	12,811	2,950.06	15,761.06	539.76	16,300.82
9/1/2033	12,843	2,918.03	15,761.03	539.76	16,300.79
12/1/2033	12,875	2,885.92	15,760.92	539.76	16,300.68
3/1/2034	12,907	2,853.73	15,760.73	539.76	16,300.49
6/1/2034	12,939	2,821.47	15,760.47	539.76	16,300.23
9/1/2034	12,972	2,789.12	15,761.12	539.76	16,300.88
12/1/2034	13,004	2,756.69	15,760.69	539.76	16,300.45
3/1/2035	13,037	2,724.18	15,761.18	539.76	16,300.94
6/1/2035	13,069	2,691.59	15,760.59	539.76	16,300.35

Net Debt Service
City of Clarksburg
DWTRF
$1,632,223
1% Interest Rate
0.25% Administration Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
9/1/2035	13,102	2,658.91	15,760.91	539.76	16,300.67
12/1/2035	13,135	2,626.16	15,761.16	539.76	16,300.92
3/1/2036	13,168	2,593.32	15,761.32	539.76	16,301.08
6/1/2036	13,200	2,560.40	15,760.40	539.76	16,300.16
9/1/2036	13,233	2,527.40	15,760.40	539.76	16,300.16
12/1/2036	13,267	2,494.32	15,761.32	539.76	16,301.08
3/1/2037	13,300	2,461.15	15,761.15	539.76	16,300.91
6/1/2037	13,333	2,427.90	15,760.90	539.76	16,300.66
9/1/2037	13,366	2,394.57	15,760.57	539.76	16,300.33
12/1/2037	13,400	2,361.15	15,761.15	539.76	16,300.91
3/1/2038	13,433	2,327.65	15,760.65	539.76	16,300.41
6/1/2038	13,467	2,294.07	15,761.07	539.76	16,300.83
9/1/2038	13,500	2,260.40	15,760.40	539.76	16,300.16
12/1/2038	13,534	2,226.65	15,760.65	539.76	16,300.41
3/1/2039	13,568	2,192.82	15,760.82	539.76	16,300.58
6/1/2039	13,602	2,158.90	15,760.90	539.76	16,300.66
9/1/2039	13,636	2,124.89	15,760.89	539.76	16,300.65
12/1/2039	13,670	2,090.80	15,760.80	539.76	16,300.56
3/1/2040	13,704	2,056.63	15,760.63	539.76	16,300.39
6/1/2040	13,738	2,022.37	15,760.37	539.76	16,300.13
9/1/2040	13,773	1,988.02	15,761.02	539.76	16,300.78
12/1/2040	13,807	1,953.59	15,760.59	539.76	16,300.35
3/1/2041	13,842	1,919.07	15,761.07	539.76	16,300.83
6/1/2041	13,876	1,884.47	15,760.47	539.76	16,300.23
9/1/2041	13,911	1,849.78	15,760.78	539.76	16,300.54
12/1/2041	13,946	1,815.00	15,761.00	539.76	16,300.76
3/1/2042	13,981	1,780.14	15,761.14	539.76	16,300.90
6/1/2042	14,016	1,745.18	15,761.18	539.76	16,300.94
9/1/2042	14,051	1,710.14	15,761.14	539.76	16,300.90
12/1/2042	14,086	1,675.02	15,761.02	539.76	16,300.78
3/1/2043	14,121	1,639.80	15,760.80	539.76	16,300.56
6/1/2043	14,156	1,604.50	15,760.50	539.76	16,300.26
9/1/2043	14,192	1,569.11	15,761.11	539.76	16,300.87
12/1/2043	14,227	1,533.63	15,760.63	539.76	16,300.39
3/1/2044	14,263	1,498.06	15,761.06	539.76	16,300.82
6/1/2044	14,298	1,462.40	15,760.40	539.76	16,300.16
9/1/2044	14,334	1,426.66	15,760.66	539.76	16,300.42
12/1/2044	14,370	1,390.82	15,760.82	539.76	16,300.58
3/1/2045	14,406	1,354.90	15,760.90	539.76	16,300.66
6/1/2045	14,442	1,318.88	15,760.88	539.76	16,300.64
9/1/2045	14,478	1,282.78	15,760.78	539.76	16,300.54
12/1/2045	14,514	1,246.58	15,760.58	539.76	16,300.34
3/1/2046	14,551	1,210.30	15,761.30	539.76	16,301.06
6/1/2046	14,587	1,173.92	15,760.92	539.76	16,300.68
9/1/2046	14,623	1,137.45	15,760.45	539.76	16,300.21
12/1/2046	14,660	1,100.90	15,760.90	539.76	16,300.66

Net Debt Service

City of Clarksburg

DWTRF

$1,632,223

1% Interest Rate

0.25% Administration Fee

30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
3/1/2047	14,697	1,064.25	15,761.25	539.76	16,301.01
6/1/2047	14,733	1,027.50	15,760.50	539.76	16,300.26
9/1/2047	14,770	990.67	15,760.67	539.76	16,300.43
12/1/2047	14,807	953.75	15,760.75	539.76	16,300.51
3/1/2048	14,844	916.73	15,760.73	539.76	16,300.49
6/1/2048	14,881	879.62	15,760.62	539.76	16,300.38
9/1/2048	14,918	842.42	15,760.42	539.76	16,300.18
12/1/2048	14,956	805.12	15,761.12	539.76	16,300.88
3/1/2049	14,993	767.73	15,760.73	539.76	16,300.49
6/1/2049	15,031	730.25	15,761.25	539.76	16,301.01
9/1/2049	15,068	692.67	15,760.67	539.76	16,300.43
12/1/2049	15,106	655.00	15,761.00	539.76	16,300.76
3/1/2050	15,144	617.24	15,761.24	539.76	16,301.00
6/1/2050	15,181	579.38	15,760.38	539.76	16,300.14
9/1/2050	15,219	541.42	15,760.42	539.76	16,300.18
12/1/2050	15,257	503.38	15,760.38	539.76	16,300.14
3/1/2051	15,296	465.23	15,761.23	539.76	16,300.99
6/1/2051	15,334	426.99	15,760.99	539.76	16,300.75
9/1/2051	15,372	388.66	15,760.66	539.76	16,300.42
12/1/2051	15,411	350.23	15,761.23	539.76	16,300.99
3/1/2052	15,449	311.70	15,760.70	539.76	16,300.46
6/1/2052	15,488	273.08	15,761.08	539.76	16,300.84
9/1/2052	15,527	234.36	15,761.36	539.76	16,301.12
12/1/2052	15,565	195.54	15,760.54	539.76	16,300.30
3/1/2053	15,604	156.63	15,760.63	539.76	16,300.39
6/1/2053	15,643	117.62	15,760.62	539.76	16,300.38
9/1/2053	15,682	78.51	15,760.51	539.76	16,300.27
12/1/2053	15,722	39.31	15,761.31	539.76	16,301.07
	1,632,223	259,080.67	1,891,303.67	64,771.20	1,956,074.87

Notes:

1. $5,433.60 from 12/01/2023 through 11/01/2053 (based on maximum quarterly payment of $16,301.12 and monthly payment rounded up to the nearest cent)
2. Reserve Fund equal to maximum annual debt service.
3. Admin Fee calculated based on percent of bond value computed quarterly paid in equal quarterly payments rounded up to the nearest cent.

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG
WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 B
(WEST VIRGINIA DWTRF LEAD SERVICE LINE PROGRAM)

No. BR-1 $440,558.00

KNOW ALL PERSONS BY THESE PRESENTS: This 25th day of April, 2023, that the CITY OF CLARKSBURG, a municipal corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of FOUR HUNDRED FORTY THOUSAND FIVE HUNDRED FIFTY EIGHT DOLLARS ($440,558), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2023, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. This bond shall bear no interest.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority on behalf of the West Virginia Bureau for Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated April 25, 2023.

This Bond is issued (i) to pay a portion of the costs of design and other pre-construction activities of certain additions, betterments and improvements to the existing public waterworks system of the Issuer consisting of replacement of water distribution and service lines containing lead (the "Design Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Design Project, and any further extensions, additions, betterments or 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 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on April 6, 2023, and a Supplemental Resolution duly adopted by the Issuer on April 6, 2023 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED SEPTEMBER 28, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,885,764 (THE "SERIES 2004 A BONDS"); (2) WATER REFUNDING

REVENUE BONDS, SERIES 2021 A (TAX-EXEMPT), DATED MARCH 18, 2021, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,785,000 (THE "SERIES 2021 A BONDS" AND, COLLECTIVELY, WITH THE SERIES 2004 A BONDS, THE "PRIOR BONDS"); AND (3) WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 A (WEST VIRGINIA DWTRF PROGRAM) ISSUED CONTEMPORANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $1,632,223.

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2023 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2023 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the 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 so long as the Prior Bonds are outstanding to leave a balance each year to provide such coverage therefore as required by the Prior Ordinances and thereafter 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 on a parity with the Bonds; provided however, that so long as there exists in the Series 2023 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other parity obligations outstanding, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Design 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 required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest, if any, on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

James Marino

Mayor

Steve Kolbe

City Manager

SPECIMEN

ATTEST:

Anne Wright

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2023 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: April 25, 2023.

UNITED BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $14,688.00	April 25, 2023	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $14,688

EXHIBIT B

DEBT SERVICE SCHEDULE

Bond Debt Service

City of Clarksburg

DWTRF

$440,558

0% Interest Rate

No Administrative Fee

30 Years

Dated Date	4/25/2023
Delivery Date	4/25/2023

Period Ending	Principal	Interest	Debt Service
3/1/2024	3,672		3,672
6/1/2024	3,672		3,672
9/1/2024	3,672		3,672
12/1/2024	3,672		3,672
3/1/2025	3,672		3,672
6/1/2025	3,672		3,672
9/1/2025	3,672		3,672
12/1/2025	3,672		3,672
3/1/2026	3,672		3,672
6/1/2026	3,672		3,672
9/1/2026	3,672		3,672
12/1/2026	3,672		3,672
3/1/2027	3,672		3,672
6/1/2027	3,672		3,672
9/1/2027	3,672		3,672
12/1/2027	3,672		3,672
3/1/2028	3,672		3,672
6/1/2028	3,672		3,672
9/1/2028	3,672		3,672
12/1/2028	3,672		3,672
3/1/2029	3,672		3,672
6/1/2029	3,672		3,672
9/1/2029	3,672		3,672
12/1/2029	3,672		3,672
3/1/2030	3,672		3,672
6/1/2030	3,672		3,672
9/1/2030	3,672		3,672
12/1/2030	3,672		3,672
3/1/2031	3,672		3,672
6/1/2031	3,672		3,672
9/1/2031	3,672		3,672
12/1/2031	3,672		3,672
3/1/2032	3,672		3,672
6/1/2032	3,672		3,672
9/1/2032	3,672		3,672
12/1/2032	3,672		3,672
3/1/2033	3,672		3,672
6/1/2033	3,671		3,671
9/1/2033	3,671		3,671
12/1/2033	3,671		3,671
3/1/2034	3,671		3,671
6/1/2034	3,671		3,671

Bond Debt Service

City of Clarksburg

DWTRF

$440,558

0% Interest Rate

No Administrative Fee

30 Years

Period Ending	Principal	Interest	Debt Service
9/1/2034	3,671		3,671
12/1/2034	3,671		3,671
3/1/2035	3,671		3,671
6/1/2035	3,671		3,671
9/1/2035	3,671		3,671
12/1/2035	3,671		3,671
3/1/2036	3,671		3,671
6/1/2036	3,671		3,671
9/1/2036	3,671		3,671
12/1/2036	3,671		3,671
3/1/2037	3,671		3,671
6/1/2037	3,671		3,671
9/1/2037	3,671		3,671
12/1/2037	3,671		3,671
3/1/2038	3,671		3,671
6/1/2038	3,671		3,671
9/1/2038	3,671		3,671
12/1/2038	3,671		3,671
3/1/2039	3,671		3,671
6/1/2039	3,671		3,671
9/1/2039	3,671		3,671
12/1/2039	3,671		3,671
3/1/2040	3,671		3,671
6/1/2040	3,671		3,671
9/1/2040	3,671		3,671
12/1/2040	3,671		3,671
3/1/2041	3,671		3,671
6/1/2041	3,671		3,671
9/1/2041	3,671		3,671
12/1/2041	3,671		3,671
3/1/2042	3,671		3,671
6/1/2042	3,671		3,671
9/1/2042	3,671		3,671
12/1/2042	3,671		3,671
3/1/2043	3,671		3,671
6/1/2043	3,671		3,671
9/1/2043	3,671		3,671
12/1/2043	3,671		3,671
3/1/2044	3,671		3,671
6/1/2044	3,671		3,671
9/1/2044	3,671		3,671
12/1/2044	3,671		3,671
3/1/2045	3,671		3,671
6/1/2045	3,671		3,671
9/1/2045	3,671		3,671
12/1/2045	3,671		3,671

Bond Debt Service

City of Clarksburg

DWTRF

$440,558

0% Interest Rate

No Administrative Fee

30 Years

Period Ending	Principal	Interest	Debt Service
3/1/2046	3,671		3,671
6/1/2046	3,671		3,671
9/1/2046	3,671		3,671
12/1/2046	3,671		3,671
3/1/2047	3,671		3,671
6/1/2047	3,671		3,671
9/1/2047	3,671		3,671
12/1/2047	3,671		3,671
3/1/2048	3,671		3,671
6/1/2048	3,671		3,671
9/1/2048	3,671		3,671
12/1/2048	3,671		3,671
3/1/2049	3,671		3,671
6/1/2049	3,671		3,671
9/1/2049	3,671		3,671
12/1/2049	3,671		3,671
3/1/2050	3,671		3,671
6/1/2050	3,671		3,671
9/1/2050	3,671		3,671
12/1/2050	3,671		3,671
3/1/2051	3,671		3,671
6/1/2051	3,671		3,671
9/1/2051	3,671		3,671
12/1/2051	3,671		3,671
3/1/2052	3,671		3,671
6/1/2052	3,671		3,671
9/1/2052	3,671		3,671
12/1/2052	3,671		3,671
3/1/2053	3,671		3,671
6/1/2053	3,671		3,671
9/1/2053	3,671		3,671
12/1/2053	3,672		3,672
	440,558		440,558

Notes:

1. $1,224 from 12/01/2023 through 11/01/2053 (based on maximum quarterly payment of $3,672 and monthly payment rounded up to the nearest cent)
2. Reserve Fund equal to maximum annual debt service.

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG
WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2023 C
(WEST VIRGINIA DWTRF LEAD SERVICE LINE PROGRAM/FORGIVABLE)

No. CR-1 $409,169

KNOW ALL PERSONS BY THESE PRESENTS: This 25th day of April, 2023, that the CITY OF CLARKSBURG, a municipal corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of FOUR HUNDRED NINE THOUSAND ONE HUNDRED SIXTY NINE DOLLARS ($409,169), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference. The Series 2023 C Bonds are not subject to the Administrative Fee (as defined in the hereinafter described Bond Legislation).

This Bond shall bear no interest. The principal amounts advanced under the Series 2023 C Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2023 C Bonds shall be deemed no longer Outstanding after the last advance is forgiven.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority on behalf of the West Virginia Bureau for Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated April 25, 2023.

This Bond is issued (i) to pay a portion of the costs of design and other pre-construction activities of certain additions, betterments and improvements to the existing public waterworks system of the Issuer consisting of replacement of water distribution and service lines containing lead (the "Design Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Design Project, and any further extensions, additions, betterments or 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 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on April 6, 2023, and a Supplemental Resolution duly adopted by the Issuer on April 6, 2023 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Design 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 required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest, if any, on this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

James Marino

Mayor

Steve Kolbe

City Manager

ATTEST:

Alicia Wright

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2023 C Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: April 25, 2023.

UNITED BANK
as Registrar



Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $		(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

400 White Oaks Boulevard
Bridgeport, WV 26330
(304) 933-8000 (304) 933-8183 Fax
www.steptoe-johnson.com

Writer's Contact Information

April 25, 2023

City of Clarksburg
Waterworks System Design Revenue Bonds, Series 2023 A
(West Virginia DWTRF Program)
and
Waterworks System Design Revenue Bonds, Series 2023 B
(West Virginia DWTRF Lead Service Line Program)

City of Clarksburg
Clarksburg, West Virginia

Clarksburg Water Board
Clarksburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the City of Clarksburg (the "Issuer"), a municipal corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $1,632,223 Waterworks System Design Revenue Bonds, Series 2023 A (West Virginia DWTRF Program), dated the date hereof (the "Series 2023 A Bonds") and its $440,558 Waterworks System Design Revenue Bonds, Series 2023 B (West Virginia DWTRF Lead Service Line Program), dated the date hereof (the "Series 2023 B Bonds" and together with the Series 2023 A Bonds, the "Series 2023 Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement dated April 25, 2023, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and the Series 2023 Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Series 2023 A Bonds are originally issued in the form of one Bond, registered as to principal and interest to the Authority, bearing interest at the rate of 1.0% per annum and with principal and interest installments payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2024 to and including December 1, 2053, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2023 A Bonds. The Series 2023 A Bonds are subject to the Administrative Fee equal to 0.25% of the principal amount of the Series 2023 A Bonds as set forth in the Schedule Y attached to the Loan Agreement. The Series 2023 B Bonds are originally issued in the form of one Bond, registered as to principal and interest to the Authority, bearing interest at the rate of 0.0% per annum and with principal installments payable quarterly on March 1, June 1, September 1 and December 1 of each year,

commencing December 1, 2023 to and including December 1, 2053, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2023 A Bonds.

The Series 2023 Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying costs of design and other pre-construction activities for the acquisition and construction of certain additions, betterments and improvements to the water system of the Issuer; and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and the Bond Ordinances duly enacted by the Issuer on April 6, 2023, as supplemented by the Supplemental Resolutions duly adopted by the Issuer on April 6, 2023 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2023 Bonds are authorized and issued, and the Loan Agreement has been entered into. The Series 2023 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 Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to finance the Design Project for the Clarksburg Water Board (the "Board"), to adopt the Bond Legislation and to issue and sell the Series 2023 Bonds, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the BPH and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the BPH or diminish the obligations of the Issuer without the written consent of the Authority and the BPH.

3. The Bond Legislation and all other necessary ordinances, orders and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Series 2023 Bonds and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Series 2023 Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System on a parity with the Issuer's Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated September 28, 2004, issued in the original aggregate principal amount of $1,885,764 (the "Series 2004 A Bonds"); and the Issuer's Water Refunding Revenue Bonds, Series 2021 A (Tax-Exempt), dated March 18, 2021, issued in the original aggregate principal amount of $2,785,000 (the "Series 2021 A Bonds" and collectively with the Series 2004 A Bonds, the "Prior Bonds").

5. The Series 2023 Bonds and the interest payable on the Series 2023 A Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality or county commission, political subdivision or agency thereof.

6. The Series 2023 Bonds have not been issued on the basis that the interest thereon, if any, is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Series 2023 Bonds.

It is to be understood that the rights of the holders of the Series 2023 Bonds and the enforceability of the Series 2023 Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion and the application of equitable remedies in appropriate cases.

We have examined the executed and authenticated Bonds numbered AR-1 and BR-1, and in our opinion the form of said Bonds their execution and authentication are regular and proper.

Very truly yours,

Steptoe & Johnson PLLC

STEPTOE & JOHNSON PLLC

Flaherty℠
FLAHERTY | SENSABAUGH | BONASSO PLLC

CHARLESTON, WV
CLARKSBURG, WV
LEXINGTON, KY
MORGANTOWN, WV
WHEELING, WV

Richard R. Marsh, Esq.
rmarsh@flahertylegal.com

April 25, 2023

City of Clarksburg
Waterworks System Design Revenue Bonds, Series 2023 A
(West Virginia DWTRF Program)
Waterworks System Design Revenue Bonds, Series 2023 B
(West Virginia DWTRF Lead Service Line Program)

City of Clarksburg
Clarksburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to the City of Clarksburg, in Harrison County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement dated April 25, 2023, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), the Bond Ordinances duly enacted by the Issuer on April 6, 2023, as supplemented by the Supplemental Resolutions duly adopted by the Issuer on April 6, 2023 (collectively, the "Bond Legislation"), and other documents relating to the Issuer's Waterworks System Design Revenue Bonds, Series 2023 A (West Virginia DWTRF Program), dated April 25, 2023, issued in the original aggregate principle amount of $1,632,223 (the "Series 2023 A Bonds") and the Issuer's Waterworks System Design Revenue Bonds, Series 2023 B (West Virginia DWTRF Lead Service Line Program), dated April 25, 2023, issued in the original aggregate principal amount of $440,558 (the "Series 2023 B Bonds" and together with the Series 2023 A Bonds, the "Series 2023 Bonds"). Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

We are of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, with full power and authority to complete the Design Project, to operate and maintain the System and to enact the Bond Legislation, all under the Act and other applicable provisions of law, and the Mayor, City Manager, City Clerk and members of the council of the Issuer have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

2. The Bond Legislation has been duly adopted and enacted by the Issuer and is in full force and effect.

3. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

4. The execution and delivery of the Series 2023 Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Series 2023 Bonds, the Loan Agreement, and the Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement, or other instrument to which the Issuer is a party or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates, and authorizations necessary for the issuance of the Series 2023 Bonds and to undertake the Design Project.

6. To the best of our knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Series 2023 Bonds, the Loan Agreement, the Bond Legislation, the Design Project, the operation of the System, the validity of the Series 2023 Bonds, or the collection or pledge of the Gross Revenues therefor.

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

Sincerely,

Richard R. Marsh

RRM/cm3

ATTORNEY TIM STRANKO, PLLC
424 Park Street
MORGANTOWN, WV 26501
304.288.7538/TStranko@wvcitylaw.com

West Virginia Bar ID# 7236

April 25, 2023

City of Clarksburg
Waterworks System Design Revenue Bonds, Series 2023 A
(West Virginia DWTRF Program)
Waterworks System Design Revenue Bonds, Series 2023 B
(West Virginia DWTRF Lead Service Line Program)
Waterworks System Design Revenue Bonds, Series 2023 C
(West Virginia DWTRF Lead Service Line Program/Forgivable)

City of Clarksburg
Clarksburg, West Virginia

Clarksburg Water Board
Clarksburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Bridgeport, West Virginia

Ladies and Gentlemen:

I have acted as Counsel for Clarksburg Water Board (the "Board"), a municipal water board existing under Section 25 of the Charter of the City of Clarksburg (the "Charter") in connection with the sale of the above-referenced bonds (the "Series 2023 Bonds"), which are being delivered and sold pursuant to a Loan Agreement, dated April 25, 2023 (the "Loan Agreement") between the West Virginia Water Development Authority (the "Authority") on behalf of the Bureau of Public Health (the "BPH") and the City of Clarksburg (the "Issuer"), with the acknowledgement and agreement of the Board.

In this connection, I have reviewed and examined certain proceedings and documents with respect to the Series 2023 Bonds, any such records, certificates and other documents as I have considered necessary or appropriate for the purposes of this opinion and the laws of the State of West Virginia, including Chapter 8, Article 19 and Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (the "Act"), the Bond Ordinances of the Issuer relating to the Series 2023 Bonds, enacted

April 6, 2023 (the "Bond Ordinance"), as supplemented by the Supplemental Resolutions adopted by the City Council of the Issuer on April 6, 2023 (the "Supplemental Resolution" and together with the Bond Ordinance, the "Authorizing Ordinance"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Authorizing Ordinance.

Based on such review and such other considerations of law and fact as I believe to be relevant, I am of the opinion that:

(1) The Board has been legally constituted and has all power and authority to manage and operate the System.

(2) The Board has the power and authorization to set and enforce rates and the rates and charges enacted by the Board in January 2023, are in full force and effect and not subject to appeal.

(3) The Loan Agreement has been duly authorized, executed and delivered by, and assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer and the Board enforceable in accordance with its terms.

(4) To the best of my knowledge after due inquiry, no litigation is pending, or 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 Gross Revenues of the System pledged or to be pledged to pay the principal of and interest on the Series 2023 Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Series 2023 Bonds, the Authorizing Ordinance, or the Loan Agreement, or contesting the powers of the Board.

(5) The Board has met and shall meet any requirement as to legal matters as the Authority shall reasonably require.

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

Very truly yours,



Attorney Tim Stranko, PLLC

WEST VIRGINIA MUNICIPAL BOND COMMISSION **NEW ISSUE REPORT FORM**

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302

Phone:(304) 558-3971 FAX: (304) 558-1280 **mbc.wv.gov** Date of Report: 04/25/2023

ISSUE: City of Clarksburg

Waterworks System Design Revenue Bonds, Series 2023 A (West Virginia DWTRF Program)

ADDRESS: 222 W Main St, Clarksburg, WV 26301 COUNTY: Harrison

PURPOSE OF ISSUE: x New Money

Refunding Refunding issue(s) dated:

ISSUE DATE: 4/25/2023 RATE: 1.0% ADMIN FEE 0.25%

ISSUE AMOUNT: $1,632,223

1st DEBT SERVICE DUE: 3/1/2024 1st PRINCIPAL DUE: 3/1/2024

1st DEBT SERVICE AMOUNT: $ 16,300.32 PAYING AGENT: MBC

BOND COUNSEL: *Steptoe & Johnson PLLC* *UNDERWRITERS COUNSEL:* *Jackson Kelly PLLC*

Contact Name: Thomas Aman Contact Name: Samme Gee

Phone: 304.933.8136 Phone: 304.340.1318

Email: thomas.aman@steptoe-johnson.com Email: sgee@JacksonKelly.com

CLOSING BANK: *Wesbanco Bank, Inc.* *ESCROW TRUSTEE:*

Contact Name: John A. Alessio II Contact Name:

Phone: 304.905.7527 Phone:

Email: John.Alessio@wesbanco.com Email:

KNOWLEDGEABLE ISSUER CONTACT: *OTHER:* *WVBPH*

Contact Name: Jason Myers Contact Name: Christopher Thomas

Title: General Manager, Clarksburg Water Board Title: Project Engineer

Phone: 304.623.8136 Phone: 304.352.5042

Email: jmyers@clarksburgwater.com Email: christopher.w.thomas@wv.gov

DEPOSITS TO MBC AT CLOSE: Accrued Interest:

By: Wire Capitalized Interest:

Check Reserve Account:

In-house Transfer Other:

REFUNDS & TRANSFERS BY MBC AT CLOSE: To Escrow Trustee:

By: Wire To Issuer:

Check To Cons.Invest Fund:

IGT To Other:

ISSUER NUMBERS:

BANK ID NUMBER: CUSIP:

ACCOUNT NUMBER: PROGRAM NUMBER:

NOTES: The Series 2023 A Bonds Reserve will be funded in full at closing.

FOR MUNIICPAL BOND COMMISSION USE ONLY:

Documents Required: Transfers Required:

WEST VIRGINIA MUNICIPAL BOND COMMISSION **NEW ISSUE REPORT FORM**

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302

Phone:(304) 558-3971 FAX: (304) 558-1280 **mbc.wv.gov** Date of Report: 4/25/2023

ISSUE: City of Clarksburg

Waterworks System Design Revenue Bonds, Series 2023 B (West Virginia DWTRF LSL Program)

ADDRESS: 222 W Main St, Clarksburg, WV 26301 COUNTY: Harrison

PURPOSE OF ISSUE: x New Money

____ Refunding Refunding issue(s) dated: ____

ISSUE DATE: 4/25/2023 RATE: 0.0% ADMIN FEE: 0.0%

ISSUE AMOUNT: $440,558

1st DEBT SERVICE DUE: 3/1/2024 1st PRINCIPAL DUE: 3/1/2024

1st DEBT SERVICE AMOUNT: $3,672 PAYING AGENT: MBC

BOND COUNSEL: *Steptoe & Johnson PLLC* *UNDERWRITERS COUNSEL:* *Jackson Kelly PLLC*

Contact Name: Thomas Aman Contact Name: Samme Gee

Phone: 304.933.8136 Phone: 304.340.1318

Email: thomas.aman@steptoe-johnson.com Email: sgee@JacksonKelly.com

CLOSING BANK: *Wesbanco Bank, Inc.* *ESCROW TRUSTEE:* ____

Contact Name: John A. Alessio II Contact Name: ____

Phone: 304.905.7527 Phone: ____

Email: John.Alessio@wesbanco.com Email: ____

KNOWLEDGEABLE ISSUER CONTACT: *OTHER:* *WVBPH*

Contact Name: Jason Myers Contact Name: Christopher Thomas

Title: General Manager, Clarksburg Water Board Title: Project Engineer

Phone: 304.623.8136 Phone: 304.352.5042

Email: jmyers@clarksburgwater.com Email: christopher.w.thomas@wv.gov

DEPOSITS TO MBC AT CLOSE: ____ Accrued Interest: ____

By: Wire ____ Capitalized Interest: ____

Check ____ Reserve Account: ____

In-house Transfer ____ Other: ____

REFUNDS & TRANSFERS BY MBC AT CLOSE: To Escrow Trustee: ____

By: Wire ____ To Issuer: ____

Check ____ To Cons.Invest Fund: ____

IGT ____ To Other: ____

ISSUER NUMBERS:

BANK ID NUMBER: ____ CUSIP: ____

ACCOUNT NUMBER: ____ PROGRAM NUMBER: ____

NOTES: The Series 2023 B Bonds Reserve will be funded in full at closing.

FOR MUNIICPAL BOND COMMISSION USE ONLY:

Documents Required: ____ Transfers Required: ____

WEST VIRGINIA MUNICIPAL BOND COMMISSION **NEW ISSUE REPORT FORM**

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302

Phone:(304) 558-3971 FAX: (304) 558-1280 **mbc.wv.gov** Date of Report: 04/25/2023

ISSUE: City of Clarksburg

Waterworks System Design Revenue Bonds, Series 2023 C (West Virginia DWTRF LSL Program/Forgivable)

ADDRESS: 222 W Main St, Clarksburg, WV 26301 COUNTY: Harrison

PURPOSE OF ISSUE: x New Money

Refunding Refunding issue(s) dated:

ISSUE DATE: 4/25/2023 RATE: 0.0% ADMIN FEE: 0.0%

ISSUE AMOUNT: $409,169

1st DEBT SERVICE DUE: 1st PRINCIPAL DUE:

1st DEBT SERVICE AMOUNT: PAYING AGENT: MBC

BOND COUNSEL: *Steptoe & Johnson PLLC* *UNDERWRITERS COUNSEL:* *Jackson Kelly PLLC*

Contact Name: Thomas Aman Contact Name: Samme Gee

Phone: 304.933.8136 Phone: 304.340.1318

Email: thomas.aman@steptoe-johnson.com Email: sgee@JacksonKelly.com

CLOSING BANK: *Wesbanco Bank, Inc.* *ESCROW TRUSTEE:* *n/a*

Contact Name: John A. Alessio II Contact Name:

Phone: 304.905.7527 Phone:

Email: John.Alessio@wesbanco.com Email:

KNOWLEDGEABLE ISSUER CONTACT: *OTHER:* *WVBPH*

Contact Name: Jason Myers Contact Name: Christopher Thomas

Title: General Manager, Clarksburg Water Board Title: Project Engineer

Phone: 304.623.8136 Phone: 304.352.5042

Email: jmyers@clarksburgwater.com Email: christopher.w.thomas@wv.gov

DEPOSITS TO MBC AT CLOSE: Accrued Interest:

By: Wire Capitalized Interest:

Check Reserve Account:

In-house Transfer Other:

REFUNDS & TRANSFERS BY MBC AT CLOSE: To Escrow Trustee:

By: Wire To Issuer:

Check To Cons.Invest Fund:

IGT To Other:

ISSUER NUMBERS:

BANK ID NUMBER: CUSIP:

ACCOUNT NUMBER: PROGRAM NUMBER:

NOTES:

FOR MUNIICPAL BOND COMMISSION USE ONLY:

Documents Required: Transfers Required:

smithcochranhicksPLLC
CERTIFIED PUBLIC ACCOUNTANTS

April 25, 2023

City of Clarksburg
Waterworks System Design Revenue Bonds, Series 2023 A
(West Virginia DWTRF Program)
Waterworks System Design Revenue Bonds, Series 2023 B
(West Virginia DWTRF Lead Service Line Program)
Waterworks System Design Revenue Bonds, Series 2023 C
(West Virginia DWTRF Lead Service Line Program/Forgivable)

City of Clarksburg
Clarksburg, West Virginia

Clarksburg Water Board
Clarksburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the water rate ordinance of the Clarksburg Water Board (the "Board") enacted on November 29, 2022, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by the Board, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the City of Clarksburg (the "Issuer"), will provide for all Operating Expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Waterworks System Design Revenue Bonds, Series 2023 A (West Virginia DWTRF Program), dated April 25, 2023, issued in the original aggregate amount of $1,632,223 (the "Series 2023 A Bonds"), Waterworks System Design Revenue Bonds, Series 2023 B (West Virginia DWTRF Lead Service Line Program), dated April 25, 2023, issued in the original aggregate amount of $440,558 (the "Series 2023 B Bonds"), Waterworks System Design Revenue Bonds, Series 2023 C (West Virginia DWTRF Lead Service Line Program/Forgivable), dated April 25, 2023, issued in the original aggregate amount of $409,169 (the "Series 2023 C Bonds" and together with the Series 2023 A Bonds and the Series 2023 B Bonds, the "Series 2023 Bonds")

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on the date hereof, and all other obligations secured by or payable from the revenues of the System on a parity with the Series 2023 Bonds, including the Issuer's:

(1) Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated September 28, 2004, issued in the original aggregate principal amount of $1,885,764 (the "Series 2004 A Bonds"); and

(2) Water Refunding Revenue Bonds, Series 2021 A (Tax-Exempt), dated March 18, 2021, issued in the original aggregate principal amount of $2,785,00 (the "Series 2021 A Bonds", and together with the Series 2004 A Bonds, the "Prior Bonds").

It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2023 Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2023 Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Series 2023 Bonds and the Prior Bonds.

The Debt Service Reserve Funds for the Prior Bonds are each funded or are being funded at the level required by the respective ordinance of the Issuer authorizing the issuance of such Prior Bonds (collectively, the "Prior Resolutions");

The Renewal and Replacement Fund required by the Prior Resolutions is established and the rates and charges for the System have been established which are projected to be sufficient in the upcoming Fiscal Year to make the required deposits in the Renewal and Replacement Fund; and

The Working Capital Reserve Account required by W. V. Code Section 24-1-1(k) is established and the rates and charges for the System have been established which are projected to be sufficient in the upcoming Fiscal Year to make the required deposits in the Working Capital Reserve Account.

Sincerely,

Todd Dingess, CPA

SWEEP RESOLUTION

WHEREAS, City of Clarksburg (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Series 2023 Bonds");

WHEREAS, the Clarksburg Water Board (the "Board"), which operates the waterworks facilities of the Issuer, will make monthly debt service payments on the Series 2023 Bonds to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Series 2023 Bonds and deposits funds in the reserve accounts maintained for the Series 2023 Bonds;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payment by check and lost checks;

WHEREAS, Pursuant to Chapter 13, Article 3, Section 5a, the MBC has established fees for its services (the "MBC Fee");

WHEREAS, the Board finds and determines that it is in the best interest of the Board, its citizens and the owners of the Series 2023 Bonds that the monthly debt service and reserve fund payments on the Series 2023 Bonds be made by electronic transfer with the State Treasurer **sweeping** the Board's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Series 2023 Bonds, as set forth in Exhibit A, along with the MBC Fee and the payments necessary to fund the reserve funds for the Series 2023 Bonds, shall be made to the MBC by electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The General Manager of the Board as well as the President and Treasurer of the Board are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments as well as the MBC Fees.

3) This resolution shall be effective immediately upon adoption.

Adopted this 28th day of March, 2023.

Clarksburg Water Board

Paul J. Howe III

President

CITY OF CLARKSBURG

WATER REVENUE BONDS, SERIES 2004 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

BOND ORDINANCE

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CITY OF CLARKSBURG

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 19 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates through the Clarksburg Water Board (the "Board") a municipal waterworks treatment and distribution system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing public waterworks system of the Issuer, consisting of the modification of the existing water treatment plant backwash wastewater and clarifier sludge treatment facilities, the construction of a sludge dewatering facility and the installation of sludge feed pump, belt filter press, polymer feed system, belt and screw conveyor system, filtrate pump station and piping, together with all appurtenant facilities (collectively, the "Project") (the existing public waterworks system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System") at an estimated cost of not more than $2,000,000, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), in the total aggregate principal amount of not more than $2,000,000 (the "Series 2004 A Bonds"), to be initially represented by a single bond, to permanently finance costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2004 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2004 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2004 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2004 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

D. The period of usefulness of the System after completion of the Project is not less than 25 years.

E. It is in the best interests of the Issuer that its Series 2004 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority (the "Loan Agreement") as shall be approved by supplemental resolution of the Issuer.

F. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2004 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's (i) Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, issued as Capital Appreciation Bonds, in the original aggregate principal amount of $1,970,405, pursuant to an ordinance of the Issuer enacted December 17, 1992 (the "Series 1992 Bonds"); (ii) Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated April 23, 2001, issued in the original aggregate principal amount of $2,383,850, pursuant to an ordinance of the Issuer enacted April 5, 2001 (the "Series 2001 A Bonds"); and (iii) Water Refunding Revenue Bonds, Series 2002, dated July 1, 2002, issued in the original aggregate principal amount of $16,260,000, pursuant to an ordinance of the Issuer enacted May 30, 2002 (the "Series 2002 Bonds") (collectively, the "Prior Bonds").

The Series 2004 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2004 A Bonds, the Issuer will obtain a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and the written consent of the Holders of the Series 2001 A Bonds to the issuance of the Series 2004 A Bonds on a parity with the Series 2001 A Bonds. No written parity consent is required from the Holders of the Series 1992 Bonds and the Series 2002 Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the ordinances authorizing issuance of the Prior Bonds (the "Prior Ordinances").

G. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and payments into all funds and accounts and other payments provided for herein and in the Prior Ordinances.

H. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2004 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will

either have expired prior to the issuance of the Series 2004 A Bonds or such final order will not be subject to appeal or rehearing.

I. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council (the "Council") as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 2004 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefitting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 2004 A Bonds are to be issued.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2004 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 19 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2004 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor or City Manager of the Issuer, or any other officer of the Issuer specifically designated by resolution of the Governing Body.

"Board" means the Clarksburg Water Board, existing under Section 25 of the Charter of the Issuer and having powers and duties set forth in Section 27 of such Charter.

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

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

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

"Bonds" means, collectively, the Series 2004 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2004 A Bonds for the proceeds representing the purchase price of the Series 2004 A Bonds from the Authority.

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

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

"Consulting Engineers" means Gannett Fleming Inc., Morgantown, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

"Costs" or "Costs of the Project" means those costs described in Section 1.02C hereof to be a part of the cost of acquisition and construction of the Project.

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

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

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

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

"Governing Body" means the council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the council as presently constituted.

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

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

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

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

"Investment Property" means:

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means the City of Clarksburg, a municipal corporation and political subdivision of the State of West Virginia, in Harrison County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means, the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, providing for the purchase of the Series 2004 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2004 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2004 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2004 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses, as hereinafter defined.

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

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

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

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent for the Series 2001 A Bonds by the Issuer in the Supplemental Resolution.

"Prior Bonds" means the Issuer's (i) Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, issued as Capital Appreciation Bonds, in the original aggregate principal amount of $1,970,405, pursuant to an ordinance of the Issuer enacted December 17, 1992; (ii) Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated April 23, 2001, issued in the original aggregate principal amount of $2,383,850, pursuant to an ordinance of the Issuer enacted

April 5, 2001; and (iii) Water Refunding Revenue Bonds, Series 2002, dated July 1, 2002, issued in the original aggregate principal amount of $16,260,000, pursuant to an ordinance of the Issuer enacted May 30, 2002.

"Prior Ordinances" means, collectively, the ordinances of the Issuer enacted December 17, 1992, April 5, 2001, and May 30, 2002, as supplemented, authorizing the issuance of the Prior Bonds.

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

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

"Project" means the Project as described in Section 1.02B hereof.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

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

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

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2004 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2004 A Bonds.

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

"Series 1992 Bonds" means the Waterworks Improvement and Refunding Revenue Bonds, Series 1992, of the Issuer issued as Capital Appreciation Bonds, as described in Section 1.02F hereof.

"Series 2001 A Bonds" means the Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), of the Issuer as described in Section 1.02F hereof.

"Series 2002 Bonds" means the Water Refunding Revenue Bonds, Series 2002, of the Issuer as described in Section 1.02F hereof.

"Series 2004 A Bonds" means not more than $2,000,000 in aggregate principal amount of Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), of the Issuer, authorized by this Ordinance.

"Series 2004 A Bonds Construction Trust Fund" means the Series 2004 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2004 A Bonds Reserve Account" means the Series 2004 A Bonds Reserve Account established pursuant to Section 5.02 hereof.

"Series 2004 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2004 A Bonds in the then current or any succeeding year.

"Series 2004 A Bonds Sinking Fund" means the Series 2004 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2004 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2004 A

Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2004 A Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means, collectively, the complete existing municipal waterworks system of the Issuer, consisting of a water filtration and treatment plant, reservoirs, water tanks, distribution lines and booster stations now owned by the Issuer or any integral part thereof, and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a waterworks system, and shall include the Project and any additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the Issuer.

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

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neuter gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Mayor or the City Clerk shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Mayor or Acting City Clerk.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $2,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2004 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and has entered into or will enter into contracts for the acquisition and construction of the Project in an amount and otherwise compatible with the financing plan submitted to the Authority.

The cost of the Project is estimated not to exceed $2,000,000, all of which will be obtained from proceeds of the Series 2004 A Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2004 A Bonds, funding a reserve account for the Series 2004 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2004 A Bonds of the Issuer. The Series 2004 A Bonds shall be issued as a single bond, designated "Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority)", in the principal amount of not more than $2,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2004 A Bonds remaining after funding of the Series 2004 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2004 A Bonds, if any, shall be deposited in or credited to the Series 2004 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2004 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable semiannually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2004 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2004 A Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2004 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the Series 2004 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2004 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest, if any, as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2004 A Bonds shall be executed in the name of the Issuer by the Mayor and the City Manager, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2004 A Bonds shall cease to be such officer of the Issuer before the Series 2004 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2004 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2004 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2004 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2004 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2004 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2004 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2004 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2004 A Bonds or transferring the registered Series 2004 A Bonds are exercised, all Series 2004 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2004 A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2004 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2004 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2004 A Bonds or, in the case of any proposed redemption of Series 2004 A Bonds, next preceding the date of the selection of Series 2004 A Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2004 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2004 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2004 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2004 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2004 A Bonds shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operations of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2004 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2004 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2004 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2004 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2004 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2004 A Bonds.

Section 3.10. Form of Series 2004 A Bonds. The text of the Series 2004 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG
WATER REVENUE BONDS,
SERIES 2004 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF CLARKSBURG, a municipal corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ Dollars ($_____), in annual installments on October 1 of each year, commencing October 1, 200_, as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefore, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 in each year, commencing _____ 1, _____.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, dated _____, 200__.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance of the Bonds and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or 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 8, Article 19 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2004, and a Supplemental Resolution duly adopted by the Issuer on _____, 2004 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (i) WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1992, DATED DECEMBER 1, 1992, ISSUED AS CAPITAL APPRECIATION BONDS, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,970,405, PURSUANT TO AN ORDINANCE OF THE ISSUER ENACTED DECEMBER 17, 1992 (THE "SERIES 1992 BONDS"); (ii) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED APRIL 23, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,383,850, PURSUANT TO AN ORDINANCE OF THE ISSUER ENACTED APRIL 5, 2001 (THE "SERIES 2001 A BONDS"); AND (iii) WATER REFUNDING REVENUE BONDS, SERIES 2002, DATED JULY 1, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $16,260,000, PURSUANT TO AN ORDINANCE OF THE ISSUER ENACTED MAY 30, 2002 (THE "SERIES 2002 BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2004 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2004 A

Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide the Net Revenues equal to not less than the rate coverage required by the Prior Ordinances so long as the Series 1992 Bonds and the Series 2002 Bonds are outstanding, and thereafter sufficient to provide for all operating expenses of the System and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as there exists in the Series 2004 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the

System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, ordinances 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.

IN WITNESS WHEREOF, the CITY OF CLARKSBURG has caused this Bond to be signed by its Mayor and City Manager, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 2004.

[SEAL]

_____
Mayor

_____
City Manager

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2004 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: _____, 2004.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2004 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor and/or the City Manager are specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated into this Bond Legislation.

Section 3.12. "Amended Schedule" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority an amended schedule, the form of which will be provided by the Authority, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

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

(4) Series 2004 A Bonds Construction Trust Fund.

Moneys in such Funds and Subaccounts may be commingled and aggregated by the Depository Bank if so directed by the Issuer, for purposes of investment of such funds, but separate accounting shall be maintained for each such fund.

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

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

(2) Within the Series 1992 Bonds Sinking Fund, the Series 1992 Bonds Reserve Account (established by the Prior Ordinances);

(3) Within the Series 1992 Bonds Sinking Fund, the Series 1992 Bonds Redemption Account (established by the Prior Ordinances);

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

(5) Within the Series 2001 A Bonds Sinking Fund, the Series 2001 A Bonds Reserve Account (established by the Prior Ordinances);

(6) Series 2002 Bonds Sinking Fund (established by the Prior Ordinances);

(7) Within the Series 2002 Bonds Sinking Fund, the Series 2002 Bonds Reserve Account (established by the Prior Ordinances);

(8) Within the Series 2002 Bonds Sinking Fund, the Series 2002 Bonds Redemption Account (established by the Prior Ordinances);

(9) Series 2004 A Bonds Sinking Fund; and

(10) Series 2004 A Bonds Reserve Account.

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

(1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Sinking Funds for the Prior Bonds, the amount required by the Prior Ordinances for payment of interest on the Prior Bonds; and (ii) commencing 7 months prior to the first date of payment of interest on the Series 2004 A Bonds, for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2004 A Bonds Sinking Fund, an amount equal to 1/6th of the amount of interest which will become due on the Series 2004 A Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next semiannual interest payment date, the required amount of interest coming due on such date.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Sinking Funds for the Prior Bonds, and in the Series 1992 Bonds Redemption Account and the Series 2002 Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed, the amount required by the Prior Ordinances for payment of principal of the Prior Bonds; and (ii) commencing 13 months prior to the first date of payment of principal of the Series 2004 A Bonds, for deposit in the Series 2004 A Bonds Sinking Fund, an amount equal to 1/12th of the amount of principal which will mature and come due on the Series 2004 A Bonds on the next ensuing annual principal payment; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 A Bond Sinking Fund and the next annual principal payment date is less than 13 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next annual principal payment date, the required amount of principal coming due on such date.

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

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1992 Bonds Reserve Account, the Series 2001 A Bonds Reserve Account, and the Series 2002 Bonds Reserve Account, the amount required by the Prior Ordinances; and (ii) commencing 13 months prior to the first date of payment of principal of the Series 2004 A Bonds, if not fully funded upon issuance of the Series 2004 A Bonds, for deposit in the Series 2004 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2004 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2004 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2004 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund to the Depreciation Fund

(as required in the Prior Ordinances and not in addition thereto), an amount equal to not less than 5% of the Gross Revenues each month until the sum of $1,000,000 shall be accumulated therein, so long as the Series 1992 Bonds and Series 2002 Bonds are outstanding, and thereafter, 2 1/2% of said Gross Revenues. All funds in the Depreciation Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Except as otherwise provided in the Prior Ordinances, withdrawals and disbursements may be made from the Depreciation Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with moneys from the Depreciation Fund.

Moneys in the Series 2004 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2004 A Bonds as the same shall become due. Moneys in the Series 2004 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2004 A Bonds as the same shall come due, when other moneys in the Series 2004 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2004 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2004 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2004 A Bonds Reserve Account which result in a reduction in the balance of the Series 2004 A Bonds Reserve Account to below the Series 2004 A Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the priority set forth above.

As and when additional Bonds ranking on a parity with the Series 2004 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement

thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2004 A Bonds Sinking Fund or the Series 2004 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2004 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2004 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2004 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the first business day of each month), deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2004 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

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

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2004 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2004 A Bonds, there shall first be deposited with the Commission in the Series 2004 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2004 A Bonds for the period commencing on the date of issuance of the Series 2004 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2004 A Bonds, there shall be deposited with the Commission in the Series 2004 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2004 A Bonds Reserve Account.

C. The remaining moneys derived from the sale of the Series 2004 A Bonds shall be deposited with the Depository Bank in the Series 2004 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02.

D. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Series 2004 A Bonds Construction Trust Fund and shall comply with all requirements with respect to the disposition of the moneys therein set forth in the Bond Legislation. Moneys in the Series 2004 A Bonds Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 2004 A Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund.

Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2004 A Bonds Construction Trust Fund shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Series 2004 A Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 2004 A Bonds Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Series 2004 A Bonds Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Series 2004 A Bonds Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, and all Costs of the Project have been paid, the Depository Bank shall transfer any moneys remaining in the Series 2004 A Bonds Construction Trust Fund to the Series 2004 A Bonds Reserve Account, provided that, in no event shall more than 10% of the proceeds from the sale of the Series 2004 A Bonds be deposited in the Series 2004 A Bonds Reserve Account, and when such Reserve Account is fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payment due on the Series 2004 A Bonds and thereafter to the next ensuing principal payment due thereon. The Issuer shall expend all proceeds of the Series 2004 A Bonds within 3 years of the date of issuance of the Authority's Bonds, the proceeds of which were used to make the loan to the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2004 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2004 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2004 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2004 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2004 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2004 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2004 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2004 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate resolution of the Board adopted on February 24, 2004, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2004 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take

all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2004 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Board shall not sell, mortgage, lease or otherwise dispose of the System, except as provided in the Prior Ordinances. Additionally, so long as the Series 2004 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2004 A Bonds, immediately be remitted to the Commission for deposit in the Series 2004 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Board shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2004 A Bonds. Any balance remaining after the payment of the Series 2004 A Bonds and interest, if any, thereon shall be remitted to the Board by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $50,000, the Board shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and the Governing Body may then, if it be so advised, by resolution duly adopted, authorize such

sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, shall be deposited in the Depreciation Fund. Payment of such proceeds into the Depreciation Fund shall not reduce the amount required to be paid into said fund by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer or the Board if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2004 A Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2004 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2004 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2004 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2004 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be

issued after the issuance of the Series 2004 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and without complying with the conditions and requirements herein provided. All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2004 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the Series 2004 A Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, reciting the conclusion required under the Prior Ordinances, so long as the Series 1992 Bonds and the Series 2002 Bonds are outstanding, and thereafter that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

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

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the

System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2004 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2004Bonds.

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

Section 7.08. Books; Records and Audit. The Board shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer or the Board shall permit the Authority, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer or the Board shall submit to the Authority such documents and information as it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer or the Board shall permit the Authority or its agents and representatives to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and

commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

The Issuer or the Board shall file with the Authority, or any other original purchaser of the Series 2004 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2004 A Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer or the Board shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2004 A Bonds, and shall submit said report to the Authority, or any other original purchaser of the Series 2004 A Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond

Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Board.

The Issuer or the Board shall permit the Authority, or its agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Authority, or its agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2004 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient to provide the Net Revenues equal to not less than the rate coverage required by the Prior Ordinances, so long as the Series 1992 Bonds and the Series 2002 Bonds are outstanding, and thereafter sufficient (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2004 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 A Bonds; provided that, in the event amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2004 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2004 A Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2004 A Bonds and all other obligations secured by a lien on or payable from such

revenues on a parity with the Series 2004 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer or the Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer or the Board shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer

shall certify to the Authority and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.14. No Free Services. The Board will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Board, the Issuer, or any department, agency, instrumentality, officer or employee of the Board or the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Board or the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2004 A Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Board will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation Fund. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Board, the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Board, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE, for all employees of or for the System eligible therefor; and performance and payment bonds, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions, or improvements for the System in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

B. The Issuer or the Board shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer or the Board shall verify such bonds prior to commencement of construction.

The Issuer or the Board shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority. The Issuer or the Board shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the Board, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer or the Board shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 7.17. Completion, Operation and Maintenance of Project; Permits and Orders. The Issuer or the Board shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards. The Issuer or the Board shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2004 A Bonds are outstanding.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2004 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2004 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2004 A Bonds during the term thereof is, under the terms of the Series 2004 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2004 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2004 A Bonds during the term thereof is, under the terms of the Series 2004 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2004 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2004 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2004 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2004 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer shall timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2004 A Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer shall take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2004 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. The Issuer shall also comply with all applicable laws, rules and regulations issued by the Authority or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2004 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Series 2004 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.21. Securities Laws Compliance. The Issuer shall provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2004 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Authority for written approval. The Issuer shall obtain the written approval of the Authority before expending any proceeds of the Series 2004 A Bonds held in "contingency" as set forth in the schedule attached to the Certificate of Consulting Engineer. The Issuer shall also obtain the written approval of the Authority before expending any proceeds of the Series 2004 A Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding provided by the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2004 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 2004 A Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2004 A Bonds which would cause the Series 2004 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take any and all actions that may be required of it (including, without implied limitation, the timely filing

of a federal information return with respect to the Series 2004 A Bonds) so that the interest on the Series 2004 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate; Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2004 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2004 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 2004 A Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 2004 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 2004 A Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect and applicable to the Series 2004 A Bonds. For purposes of this Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the

Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and shall be used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. To the extent not so performed by the Authority, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 8.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount, any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary, in order to maintain the exclusion of interest on the Series 2004 A Bonds from gross income for federal income tax purposes.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other

exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2004 A Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2004 A Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2004 A Bonds :

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2004 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2004 A Bonds set forth in this Bond Legislation, any Supplemental Resolution or in the Series 2004 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2004 A Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2004 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2004 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2004 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2004 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2004 A Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Series 2004 A Bonds, any Registered Owner of a Series 2004 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 Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Series 2004 A Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Series 2004 A Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Series 2004 A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the

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

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 2004 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2004 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2004 A Bonds from gross income for federal income tax purposes.

Series 2004 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 2004 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2004 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 2004 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 2004 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2004 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2004 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2004 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2004 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2004 A Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2004 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Series 2004 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2004 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, or the Series 2004 A Bonds.

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

Section 11.05. Notices. All notices to be sent to the Issuer or the Authority shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

City of Clarksburg
c/o Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26301
Attention: General Manager

AUTHORITY:

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1571
Attention: Director

Section 11.06. Conflicting Provisions Repealed. Except for the Prior Ordinances, all orders, resolutions and ordinances, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Manager, City Clerk and members of the Governing Body and the Board were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Clarksburg Exponent-Telegram, a newspaper published and of general circulation in the City of Clarksburg, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2004 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during

office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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

Passed on First Reading:	-	August 5, 2004
Passed on Second Reading:	-	August 19, 2004
Passed on Final Reading Following Public Hearing:	-	September 2, 2004

Sam Lopez
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF CLARKSBURG on the 2nd day of September, 2004.

Dated: September 28, 2004.

[SEAL]

Judith M. Wright
City Clerk

09/21/04
155510/00019

EXHIBIT A

Loan Agreement

(See Tab No. 3)

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE CITY OF CLARKSBURG; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the City of Clarksburg (the "Issuer") has duly and officially enacted a bond ordinance, effective September 2, 2004 (the "Bond Ordinance" or the "Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING,

RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), of the Issuer (the "Series 2004 A Bonds"), in the aggregate principal amount not to exceed $2,000,000, and has authorized the execution and delivery of the loan agreement relating to the Series 2004 A Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 8, Article 19 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates, the sale price and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,885,764. The Series 2004 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2024, and shall bear interest at the rate of 5% per annum, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2005. The Bonds shall be payable in annual installments of principal on October 1 of each year, commencing October 1, 2005, and maturing October 1, 2024, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Series 2004 A Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2004 A Bonds.

Section 2. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor and/or the City Manager, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 6. The Issuer does hereby appoint and designate WesBanco Bank, Inc., Clarksburg, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2004 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2004 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2004 A Bonds proceeds in the amount of $151,380 shall be deposited in the Series 2004 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2004 A Bonds shall be deposited in or credited to the Series 2004 A Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Mayor, City Manager and City Clerk are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about September 23, 2004, to the Authority pursuant to the Loan Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

Section 14. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than $5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 2004, being the calendar year in which the

Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

Section 15. The Issuer hereby approves payment of all invoices and bills for the Project which have been received to date from the proceeds of the Bonds. The Issuer hereby appoints the General Manager of the Clarksburg Water Board as its agent for the review and approval of all future invoices for the Project to be paid from the proceeds of the Bonds.

Section 16. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 9th day of September, 2004.

CITY OF CLARKSBURG

Sam Lopez

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the City of Clarksburg on the 9th day of September, 2004.

Dated: September 28, 2004.

[SEAL]

City Clerk

09/22/04
155510/00019

CITY OF CLARKSBURG
(WEST VIRGINIA)

WATER REFUNDING REVENUE BONDS, SERIES 2021 A
(TAX EXEMPT)

BOND ORDINANCE

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EXHIBIT A – FORM OF SERIES 2021 A BOND A-1

CITY OF CLARKSBURG
(WEST VIRGINIA)

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE CITY OF CLARKSBURG'S OUTSTANDING WATER REVENUE BONDS, SERIES 2014 A (TAX-EXEMPT) AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE BY THE CITY OF ITS NOT MORE THAN $3,750,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REFUNDING REVENUE BONDS, SERIES 2021 A (TAX-EXEMPT); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX AND NON-ARBITRAGE CERTIFICATE, AN OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the City of Clarksburg (the "Issuer" or the "City") presently owns and operates, through the Clarksburg Water Board (the "Board"), a waterworks system and has heretofore financed the design, acquisition, construction and equipping of the System (as defined herein) and certain additions, betterments and improvements thereto through the issuance of several series of bonds or refunding bonds, of which there are presently outstanding the Prior Bonds, as hereinafter defined;

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

WHEREAS, under the provisions of Chapter 8, Article 19 of the Code of West Virginia, 1931, as amended (the "Bond Act"), and Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (the "Refunding Act" and together with the Bond Act, the "Act"), the Issuer is authorized to issue refunding bonds to refund, pay or discharge all or any part of the outstanding Prior Bonds, including interest thereon;

WHEREAS, the Issuer has determined, and does hereby determine, that present value debt service savings would result from the Issuer's refunding of its outstanding Water Revenue Bonds, Series 2014 A (Tax-Exempt), dated November 6, 2014, issued in the aggregate principal amount of $3,965,000, and outstanding as of November 30, 2020 in the principal amount of $3,075,000 (the "Series 2014 A Bonds");

WHEREAS, the Series 2014 A Bonds were issued to finance the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the System;

WHEREAS, the Issuer has determined that it is in the best interests of the residents of the City to refund the Series 2014 A Bonds through the issuance of the Issuer's Water Refunding Revenue Bonds, Series 2021 A (Tax-Exempt), in the original aggregate principal amount of not more than $3,750,000 (the "Series 2021 A Bonds"), such Series 2021 A Bonds to be secured by and payable from the Gross Revenues (as hereinafter defined) of the System on a parity with respect to the pledge of Gross Revenues in favor of the Prior Bonds;

WHEREAS, the Issuer has determined to enact this Ordinance to authorize the issuance of the Series 2021 A Bonds (the "Series 2021 A Ordinance"), such Series 2021 A Bonds to have such security and such other terms and provisions as are hereinafter provided, all in the manner set forth herein; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interests of the residents of the City that its Series 2021 A Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, and agreed to by the Board.

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

ARTICLE I
DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

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

"Act" means, together, Chapter 8, Article 19 and Chapter 13, Article 2E of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2021 A Bonds.

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

"Board" means the Clarksburg Water Board existing under Section 25 of the charter of the City of Clarksburg and having powers and duties as set forth in Section 27 of such charter.

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

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

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

"Bond Insurer" means any entity which shall issue a municipal bond insurance policy to insure all or any portion of the payment of principal of and interest on the Bonds and/or provide a municipal bond debt service reserve insurance policy, or other financial instrument, for the purpose of funding, in whole or in part, the Series 2021 A Bonds Reserve Account, and with respect to the Series 2021 A Bonds, shall initially mean the bond insurer or bond insurers, if any, named in the Supplemental Resolution.

"Bond Purchase Agreement" means the Bond Purchase Agreement between the Issuer and the Original Purchaser, and agreed to by the Board, relating to the sale and purchase of the Series 2021 A Bonds.

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

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

"Bonds" means, collectively, the Series 2021 A Bonds, the Prior Bonds and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2021 A Bonds, substantially in the form set forth in EXHIBIT A - FORM OF SERIES 2021 A BOND, attached hereto.

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

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2021 A Bonds for the proceeds representing the original purchase price thereof.

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

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

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

"Continuing Disclosure Agreement" means the agreement delivered by the Issuer and the Board to disseminate annual financial information and material event disclosures as required by Rule 15c2-12.

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

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

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

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

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

"DTC-eligible Bonds" means, with respect to the Series 2021 A Bonds, meeting the qualifications prescribed by DTC.

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

"Escrow Agreement" means the agreement to be entered into between the Issuer and the Escrow Agent, providing for the payment of the outstanding principal of, and interest on, the Series 2014 A Bonds, and the payment of all interest thereon until such date, through the deposit therein of cash from, and securities purchased with, a portion of the proceeds of the Series 2021 A Bonds, monies of the Issuer in the various funds and accounts pledged to the Series 2014 A Bonds and other matters in connection therewith.

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

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

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

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

"Governing Body" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council, as it may now or hereafter be constituted.

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts, and includes any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments).

"Independent Accountants" means the Office of the Auditor of the State of West Virginia or any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer or the Board to prepare an independent annual or special audit of the accounts of the System or for any purpose except keeping the accounts of said System in the normal operations of its business and affairs.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing

desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Issuer" or "City" means the City of Clarksburg, a municipal corporation and political subdivision of the State of West Virginia, in Harrison County thereof, and, unless the context clearly indicates otherwise, includes the Governing Body and any other commission, board or department established by the Issuer to operate and maintain the System, including the Board.

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

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by any Bond Insurer simultaneously with the delivery of the Series 2021 A Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2021 A Bonds, in accordance with the terms thereof.

"Municipal Bond Debt Service Reserve Insurance Policy" means a municipal bond debt service reserve insurance policy, and may subsequently mean a letter of credit, surety bond or other financial instrument which is pledged to the Series 2021 A Bonds Reserve Account in the amount of the Series 2021 A Bonds Reserve Requirement and which is intended to satisfy the Series 2021 A Bonds Reserve Requirement.

"Net Proceeds" means the face amount of the Series 2021 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 2021 A Bonds Reserve Account, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2021 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2021 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 2021 A Bonds.

"Official Statement" means a document or set of documents prepared by the Issuer and the Board setting forth, among other matters, information concerning the Issuer of such

municipal securities and information concerning the Board and the proposed issue of securities that is complete as of the date of delivery of the document or set of documents to the Original Purchaser.

"Operating Expenses," unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles.

"Operation and Maintenance Fund" means the Operation and Maintenance Fund continued pursuant to Section 4.01 hereof.

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

"Original Purchaser" means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2021 A Bonds directly from the Issuer, as determined by the Supplemental Resolution, and shall initially mean Crews & Associates, Inc., Morgantown, West Virginia and Little Rock, Arkansas.

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

"Paying Agent" means the Bond Commission and any other paying agent for the Series 2021 A Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"Prior Bonds" means, collectively, the Series 2001 A Bonds and the Series 2004 A Bonds.

"Prior Ordinances" means, collectively, the ordinances of the Issuer as supplemented or amended, authorizing the issuance of the Prior Bonds.

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

"Qualified Investments" means and includes any of the following, unless otherwise set forth in the Supplemental Resolution:

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through

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

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

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

"Rebate Fund" means the Rebate Fund described in Section 4.01 hereof.

"Record Date" means the date or dates which shall be so stated in the Series 2021 A Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

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

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

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the Series 2021 A Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1986 as amended.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund created by the Prior Ordinances and continued by Section 4.01 hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts created for the Series 2021 A Bonds and the Prior Bonds.

"Reserve Account Requirement" means, collectively, the respective amount required to be on deposit in the respective Reserve Accounts for the Series 2021 A Bonds and the Prior Bonds.

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

"Rule 15c2-12" means Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

"Series 2001 A Bonds" means the Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated April 23, 2001, issued in the original aggregate principal amount of $2,383,850.

"Series 2004 A Bonds" means the Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated September 28, 2004, issued in the original aggregate principal amount of $1,885,764.

"Series 2014 A Bonds" means the Water Revenue Bonds, Series 2014 A (Tax-Exempt), dated November 6, 2014, issued in the original aggregate principal amount of $3,965,000.

"Series 2014 A Bonds Ordinance" means the ordinance of the Issuer authorizing the issuance of the Series 2014 A Bonds.

"Series 2021 A Bonds" means the Water Refunding Revenue Bonds, Series 2021 A (Tax Exempt), of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2021 A Bonds Costs of Issuance Fund" means the Series 2021 A Bonds Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2021 A Bonds Redemption Account" means the Series 2021 A Bonds Redemption Account established in the Series 2021 A Bonds Sinking Fund pursuant to Section 4.02 hereof.

"Series 2021 A Bonds Reserve Account" means the Series 2021 A Bonds Reserve Account established in the Series 2021 A Bonds Sinking Fund pursuant to Section 4.02 hereof.

"Series 2021 A Bonds Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2021 A Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2021 A Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2021 A Bonds.

"Series 2021 A Bonds Sinking Fund" means the Series 2021 A Bonds Sinking Fund established by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds created for the Series 2021 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means, collectively, any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Original Purchaser, Bond Purchase Agreement, Bond Insurer provisions (if any) and other terms of the Series 2021 A Bonds and authorizing the sale of the Series 2021 A Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Gross Revenues not required by the Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the funds and accounts established for the Prior Bonds or the Series 2021 A Bonds.

"System" means the complete public waterworks system of the Issuer, presently existing in its entirety or any integral part thereof, and shall include the Project improvements thereto and any further additions, extensions and improvements thereto hereafter constructed or acquired for the System from any sources whatsoever.

"Tax Certificate" means the Issuer's Tax and Non-Arbitrage Certificate dated as of the date of issuance of the Series 2021 A Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

"Term Bonds" means the Series 2021 A Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

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

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

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

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

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

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

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

B. The Issuer now owns and operates through the Board a public waterworks System, the construction, extension and improvements of which it has financed or refinanced pursuant to the issuance of the Prior Bonds and the Series 2014 A Bonds.

C. The Issuer has determined that present value debt service savings will result from the refunding of the Series 2014 A Bonds, and that it is in the best interests of the residents of the City to refund the Series 2014 A Bonds.

D. It is deemed necessary for the Issuer to issue its Water Refunding Revenue Bonds, Series 2021 A (Tax Exempt), in the aggregate principal amount of not more than $3,750,000, in order to pay, along with other funds of the Issuer available therefor, all or a portion of the cost of purchasing securities in an amount sufficient, including earnings on such securities, and to provide cash therefor, to pay in full the outstanding principal amount of, and all interest accrued on, the Issuer's Series 2014 A Bonds. Said costs shall be deemed to include, but not be limited to, amounts which may be deposited in the Series 2021 A Bonds Reserve Account; underwriter's discount, engineering and legal expenses; expenses for estimates of costs and revenues; administrative expenses; commitment fees; the premium for a Municipal Bond Insurance Policy; the premium for a Municipal Bond Debt Service Reserve Insurance Policy; discount; initial fees for the services of registrars, paying agents, escrow agents, depositories or trustees or other costs in connection with the sale of the Series 2021 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; and the performance of the things herein required or permitted, in connection with any thereof.

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

F. It is in the best interests of the Issuer that the Series 2021 A Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a Bond Purchase Agreement to be entered into by and between the Issuer and the Original Purchaser, and agreed to by the Board, as shall be approved by the Supplemental Resolution of the Issuer.

G. There are or will be outstanding obligations of the Issuer which will rank on a parity with the Series 2021 A Bonds as to liens, pledge, source of and security for payment, as follows: (1) Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated April 23, 2001, issued in the original aggregate principal amount of $2,383,850; and (2) Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated September 28, 2004, issued in the original aggregate principal amount of $1,885,764.

The Series 2021 A Bonds shall be issued on a parity with one another and with the Prior Bonds with respect to liens, pledge and source or and security for payment and in all respects. Prior to the issuance of the Series 2021 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Registered Owners of the Series 2001 A Bonds and Series 2004 A Bonds to the issuance of the Series 2021 A Bonds on a parity with such Bonds.

Other than the Prior Bonds and the Series 2014 A Bonds which shall be paid in full as described above, there are no other presently outstanding bonds or obligations of the Issuer which are secured by the Gross Revenues of the System. The Issuer is in compliance with all of the covenants of the Prior Bonds and the Prior Ordinances.

H. The Issuer derives revenues from the System which are pledged for payment of the Prior Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner. The Issuer intends to issue the Series 2021 A Bonds and to pledge for payment thereof, the Gross Revenues of the System. Upon issuance of the Series 2021 A Bonds, the Series 2021 A Bonds will be secured by a first lien on the Gross Revenues of the System, on a parity with the Prior Bonds.

I. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, to provide for repair, maintenance and operation of the System, the payment of interest on the Series 2021 A Bonds and the Prior Bonds, and to create sinking funds, as hereinafter provided, to pay the principal on the Series 2021 A Bonds and the Prior Bonds as and when it becomes due and reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance and the Prior Ordinances.

J. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2021 A Bonds, and secure the Series 2021 A Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the System, the monies in the Series 2021 A Sinking Fund, including the Series 2021 A Bonds Reserve Account therein, unexpended proceeds of the Series 2021 A Bonds and as further set forth herein.

K. The Series 2021 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A – FORM OF SERIES 2021 A BOND, attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

L. All things necessary to make the Series 2021 A Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2021 A Bonds will be timely done and duly performed.

M. The enactment of this Ordinance, and the execution and issuance of the Series 2021 A Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

N. Prior to the refunding of the Series 2014 A Bonds, the Issuer will have complied with all requirements of West Virginia law relating to the operation of the System, the refunding of the Series 2014 A Bonds and the issuance of the Series 2021 A Bonds or will have so complied prior to issuance of any thereof.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2021 A Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Registered Owners of any and all of such Series 2021 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2021 A Bond and any other Series 2021 A Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding of Series 2014 A Bonds. All Series 2014 A Bonds Outstanding as of the date of issuance of the Series 2021 A Bonds and all unpaid interest accrued thereon, if any, are hereby ordered to be defeased with securities and cash deposited pursuant to the Escrow Agreement and paid in full on the earliest call date and the pledge of Gross Revenues in favor of the Registered Owners of the Series 2014 A Bonds imposed by the Series 2014 A Bonds Ordinance, the monies in the funds and accounts created by the Series 2014 A Bonds Ordinance pledged to payment of the Series 2014 A Bonds, and any other funds pledged by the Series 2014 A Bonds Ordinance to payment of the Series 2014 A Bonds are hereby ordered terminated, discharged and released upon the deposit of such securities and cash with the Escrow Agent pursuant to the Escrow Agreement. Contemporaneously with the defeasance of the Series 2014 A Bonds, the amounts remaining on deposit not required for the defeasance of the Series 2014 A Bonds, in the sinking fund, and the reserve account therein, and all other funds and accounts created and maintained on behalf of the Series 2014 A Bonds, except the Escrow Fund, shall be released from the lien created by the Series 2014 A Bonds Ordinance.

ARTICLE III
THE SERIES 2021 A BONDS

Section 3.01. Form and Payment of Bonds. No Series 2021 A Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2021 A Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2021 A Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in a Supplemental Resolution). All Series 2021 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2021 A Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2021 A Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2021 A Bonds shall be in default, Series 2021 A Bonds issued in exchange for Series 2021 A Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2021 A Bonds surrendered.

The principal of and the interest and premium, if any, on the Series 2021 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America and in the case of payment of principal and premium, if any, upon surrender of such Series 2021 A Bonds at the principal office of the Paying Agent. Interest on the Series 2021 A Bonds shall be paid by check or draft made payable and mailed to the Registered Owner thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2021 A Bonds, by wire transfer to a domestic bank account specified in writing at least five (5) days prior to such interest payment date by such Registered Owner.

In the event any Series 2021 A Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Registered Owner thereof, another Series 2021 A Bond in the principal amount of said Series 2021 A Bond then Outstanding.

Section 3.02. Execution of the Series 2021 A Bonds. The Series 2021 A Bonds shall be executed in the name of the Issuer by the Mayor and the City Manager, by their manual or facsimile signatures, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2021 A Bonds shall cease to be such officer of the Issuer before the Series 2021 A Bonds so signed and sealed have been actually sold and delivered, such Series 2021 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2021 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2021 A Bonds shall hold the proper office in the

Issuer, although at the date of such Series 2021 A Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2021 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2021 A Bond, substantially in the form set forth in EXHIBIT A - FORM OF SERIES 2021 A BOND attached hereto and incorporated herein by reference with respect to such respective Series 2021 A Bond, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2021 A Bond shall be conclusive evidence that such Series 2021 A Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2021 A Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2021 A Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2021 A Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner, in accepting any of said Series 2021 A Bonds, shall be conclusively deemed to have agreed that such Series 2021 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Series 2021 A Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2021 A Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2021 A Bonds. The Series 2021 A Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2021 A Bond, there shall be issued at the option of the Holder or the transferee another Series 2021 A Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Series 2021 A Bond and of the same series, interest rate and maturity of said transferred Series 2021 A Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2021 A Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Series 2021 A Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2021 A Bond is exercised, Series 2021 A Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2021 A Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2021 A Bonds, the initial exchange

of Series 2021 A Bonds and exchanges of such Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2021 A Bonds, the Registrar may impose a service charge. For every such transfer or exchange of such Series 2021 A Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2021 A Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2021 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Series 2021 A Bond of like series, maturity and principal amount as the Series 2021 A Bond so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Series 2021 A Bond, or in lieu of and substitution for the Series 2021 A Bond so destroyed, stolen or lost, and upon the Registered Owner furnishing the Issuer and the Registrar proof of his ownership thereof and that said Series 2021 A Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Registered Owner listed in the Bond Register shall constitute proof of ownership. All Series 2021 A Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Series 2021 A Bond shall have matured or be about to mature, instead of issuing a substitute Series 2021 A Bond the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Series 2021 A Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Series 2021 A Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2021 A Bonds be at any time found by any one, and such duplicate Series 2021 A Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the revenues pledged herein with all other Series 2021 A Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued as part of the Series 2021 A Bonds issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2021 A Bonds Redemption Account in accordance with Subsection 4.03(A)(2) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2021 A Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount)

required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

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

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

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2021 A Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory redemption date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the redemption date (interest to be paid from the Series 2021 A Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2021 A Bonds Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory redemption date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Registered Owner of the Series 2021 A Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered

or certified mail or electronic transmission at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the applicable Bond Insurer, if any, and the Registered Owner of the Series 2021 A Bond or Bonds, as applicable, to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2021 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

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

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all outstanding Series 2021 A Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2021 A Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Series 2021 A Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Series 2021 A Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Paying Agent, and

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

Prior to any redemption date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Series 2021 A Bonds or portions of such Bonds which are to be redeemed on that date. If funds sufficient to redeem all Series 2021 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing or otherwise distributing any notice of optional redemption, such notice shall also state that such optional redemption is conditioned on, and subject to, the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2021 A Bonds called for redemption of such fact, such redemption will not occur and such will not constitute a default on the Series 2021 A Bonds and no Holder of any Series 2021 A Bonds shall have any claim of any type, of law or in equity, against the Issuer.

Official notice of redemption having been given as aforesaid, the Series 2021 A Bonds or portions of the Series 2021 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2021 A

Bonds or portions of such Bonds shall cease to bear interest. Upon surrender of such Series 2021 A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Series 2021 A Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2021 A Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Series 2021 A Bond is registered as the owner of such Series 2021 A Bond for the purpose of receiving payment of the principal of, and interest on, such Series 2021 A Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Series 2021 A Bond is overdue.

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

Section 3.10. Authorization of Bonds. For the purposes of, in combination with other funds of the Issuer available therefor, purchasing securities, or providing cash, to defease the entirety of the outstanding principal of and all accrued interest on the Series 2014 A Bonds, paying the premium for a Municipal Bond Insurance Policy (if any), funding the Series 2021 A Bonds Reserve Account with proceeds of the Series 2021 A Bonds or paying the premium for a Municipal Bond Debt Service Reserve Insurance Policy (if any), in an amount equal to the Series 2021 A Bonds Debt Service Reserve Requirement and paying costs in connection with the issuance of the Series 2021 A Bonds, or any or all such purposes, there shall be issued the Series 2021 A Bonds of the Issuer, in an aggregate principal amount of not more than $3,750,000. Said Series 2021 A Bonds shall be designated "Water Refunding Revenue Bonds, Series 2021 A (Tax Exempt)" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in the Supplemental Resolution, and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2021 A Bonds maturing in the period of

maturity for which the denomination is to be specified. The Series 2021 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2021 A Bonds shall be dated; shall be in such aggregate principal amount (not to exceed $3,750,000); shall bear interest at such rate or rates (not to exceed 7%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 30 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2021 A Bonds. The Series 2021 A Bonds (if purchased by the Original Purchaser) shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2021 A Bonds of each maturity, and shall be registered in the name of Cede & Co., as nominee of DTC. Notwithstanding anything herein to the contrary contained, so long as the Series 2021 A Bonds are Outstanding and registered with DTC, DTC (or its nominee) shall be treated as the sole Registered Owner for all purposes hereunder. Each Bond shall bear a legend substantially to the following effect "Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this certificate is presented by an authorized representative of DTC, to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein."

With respect to Series 2021 A Bonds registered in the records of the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent shall have no responsibility or obligation to any other participant in DTC or to any Person on behalf of whom such a participant in DTC holds a beneficial interest in the Series 2021 A Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any other participant in DTC with respect to any beneficial ownership interest in any Bond, (ii) the delivery to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any notice with respect to any Series 2021 A Bonds, including without limitation any notice of redemption, tender, purchase or any event which would or could give rise to a tender or purchase right or option with respect to any Bond, (iii) the payment to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any amount with respect to principal of, premium, if any, or interest on, any Bond, or (iv) any consent given by DTC as Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent shall be entitled to treat and consider the Person in whose name each Bond is registered in the records of the Registrar as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption, sale, purchase or any event which would or could give rise to a sale or purchase right or option with respect to any Bond for the purpose of making payment of any

purchase price of such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Issuer and Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2021 A Bonds and the purchase price of any Bond only to or upon the order of the respective Registered Owners, as shown in the records of the Registrar as provided in this Ordinance, or their respective attorneys or legal representatives duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2021 A Bonds to the extent of the sum or sums so paid. No Person other than a Registered Owner, as shown in the records of the Registrar, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to this Ordinance.

The Registered Owners have no right to a depository for the Series 2021 A Bonds. The Issuer may remove DTC or any successor thereto for any reason at any time. In such event or in the event DTC shall notify the Issuer that DTC is discontinuing its book-entry system for the Series 2021 A Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act, notify DTC of the appointment of such successor securities depository and transfer one or more separate Bond certificates to such successor securities depository or (ii) notify DTC of the availability through the DTC of Bond certificates and transfer one or more separate Bond certificates to other participants or beneficial owners as DTC may direct. In such event, the Series 2021 A Bonds shall no longer be restricted to being registered in the records of the Registrar in the name of Cede & Co., as nominee, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names other participants in DTC receiving Series 2021 A Bonds shall designate, in accordance with the provisions of this Ordinance. The provisions of this Section applicable to DTC shall apply, mutatis mutandis, to any successor depository performing the same functions hereunder as DTC.

The Issuer represents hereby that it has executed a Letter of Representations, the terms of which are applicable to the issuance of the Series 2021 A Bonds hereunder. Such Letter of Representations is for the purpose of effectuating the Book-Entry Only System only and shall not be deemed to amend, supersede or supplement the terms of this Ordinance which are intended to be complete without reference to the Letter of Representations. In the event of any conflict between the terms of the Letter of Representations and the terms of this Ordinance, the terms of this Ordinance shall control. DTC may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 3.12. Delivery of Series 2021 A Bonds. The Issuer shall execute and deliver the Series 2021 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2021 A Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2021 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2021 A Bonds to DTC for the benefit of the Original Purchaser;

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

(4) The unqualified approving opinion of Bond Counsel regarding the Series 2021 A Bonds; and

(5) A copy of such other documents and certificates as the Original Purchaser may reasonably require.

Section 3.13. Form of Series 2021 A Bonds. The definitive Series 2021 A Bonds shall be in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2021 A BOND attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2021 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval.

Section 3.14. Sale of Series 2021 A Bonds; Approval and Ratification of Execution of Bond Purchase Agreement with Original Purchaser. The Series 2021 A Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor and City Manager are specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

Section 3.15. Disposition of Proceeds of Series 2021 A Bonds. Upon the issuance and delivery of the Series 2021 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2021 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2021 A Bonds Sinking Fund and applied to payment of interest on the Series 2021 A Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2021 A Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer.

3. An amount of the proceeds of the Series 2021 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2021 A Bonds Reserve Account; provided, that to the extent the Series 2021 A Bonds Reserve Requirement is satisfied in whole or in part from a Municipal Bond Debt Serve Reserve Insurance Policy, proceeds of the Series 2021 A Bonds shall be (i) paid to the Bond

Insurer, via wire transfer, in an amount equal to the premium for the Municipal Bond Debt Service Reserve Insurance Policy and (ii) deposited in the Series 2021 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2021 A Bonds Reserve Requirement.

4. An amount of the proceeds of the Series 2021 A Bonds which shall, along with other monies available therefor, be sufficient to purchase securities, the principal amount of which, and earnings thereon, shall be sufficient to pay the outstanding principal of, and interest on, the Series 2014 A Bonds on the first call date therefor, and to make any payment of interest and/or principal prior to the first call date for the Series 2014 A Bonds, shall be deposited into the Escrow Fund for the Series 2021 A Bonds held by the Bond Commission as Escrow Agent.

5. An amount of Series 2021 A Bond proceeds which, together with other monies or securities deposited therein, shall be equal to the costs of issuance of the Series 2021 A Bonds shall be deposited with the Depository Bank in the Series 2021 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2021 A Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2021 A Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2021 A Bonds Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 2021 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2021 A Bonds from which such proceeds are derived.

ARTICLE IV
SYSTEM REVENUES; FUNDS AND ACCOUNTS

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

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

(2) Renewal and Replacement Fund (established by the Prior Ordinances as Depreciation Fund and hereby continued);

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

(4) Series 2021 A Bonds Costs of Issuance Fund; and

(5) Rebate Fund.

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

(1) Series 2001 A Bonds Sinking Fund (established by the Prior Ordinances and continued hereby);

(2) Series 2001 A Bonds Reserve Account (established by the Prior Ordinances and continued hereby);

(3) Series 2004 A Bonds Sinking Fund (established by the Prior Ordinances and continued hereby);

(4) Series 2004 A Bonds Reserve Account (established by the Prior Ordinances and continued hereby);

(5) Series 2021 A Bonds Sinking Fund;

(a) Within the Series 2021 A Bonds Sinking Fund:

(i) Series 2021 A Bonds Reserve Account; and

(ii) Series 2021 A Bonds Redemption Account.

Section 4.03. System Revenues and Application Thereof. So long as any of the Series 2021 A Bonds shall be Outstanding and unpaid, the Issuer and the Board covenant as follows:

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

(1) The Issuer, through the Board, shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds the amounts required by the Prior Ordinances to pay the interest on the Prior Bonds; and (ii) commencing 7 months prior to the first interest payment date of the Series 2021 A Bonds, for deposit in the Series 2021 A Bonds Sinking Fund, a sum equal

to 1/6th of the amount of interest which will become due on the Series 2021 A Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2021 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2021 A Bonds Sinking Fund shall be reduced by the amount of accrued interest, if any, on the Series 2021 A Bonds deposited therein, and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2021 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2021 A Bonds Sinking Fund.

(2) The Issuer, through the Board, shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds the amounts required by the Prior Ordinances to pay the principal of the Prior Bonds; and (ii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2021 A Bonds, for deposit in the Series 2021 A Bonds Sinking Fund and in the Series 2021 A Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2021 A Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2021 A Bonds on the next ensuing principal payment date or mandatory Redemption Date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2021 A Bonds Sinking Fund and the next ensuing principal payment date or mandatory Redemption Date is more or less than 13 months (or 7 months if the Series 2021 A Bonds mature semiannually rather than annually), then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2021 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(3) The Issuer, through the Board, shall next, each month, transfer from the Revenue Fund to the Operation and Maintenance Fund an amount sufficient to pay all Operating Expenses of the System.

Monies in the Series 2021 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2021 A Bonds, whether by maturity or redemption prior to maturity. Monies on deposit in the Series 2021 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2021 A Bonds when the funds on deposit in the Series 2021 A Bonds Sinking Fund are insufficient therefore, and for no other purpose. Pending such use, such monies shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Series 2021 A Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2021 A Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2021 A Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2021 A Bonds are issued, provision shall be made for additional deposits into the respective Sinking Funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The payments into the Series 2021 A Bonds Sinking Fund shall be made on or prior to the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments may be made on the next succeeding Business Day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

(4) The Issuer, through the Board, shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Reserve Accounts of the Prior Bonds the amounts required by the Prior Ordinances; and (ii) commencing 13 months prior to the first date of payment of principal of the Series 2021 A Bonds, if not fully funded upon issuance of the Series 2021 A Bonds, for deposit in the Series 2021 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2021 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2021 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2021 A Bonds Reserve Requirement, and thereafter the Issuer, through the Board, shall deposit in the Series 2021 A Bonds Reserve Account, an amount

sufficient to remedy any decrease in value of the Series 2021 A Bonds Reserve Account below the Series 2021 A Bonds Reserve Requirement or any withdrawal from the Series 2021 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2021 A Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2021 A Bonds Reserve Account is less than the Series 2021 A Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2021 A Bonds Reserve Account for deposit into the Series 2021 A Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefore, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2021 A Bonds Reserve Account to an amount equal to the Series 2021 A Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2021 A Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2021 A Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2021 A Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2021 A Bonds Reserve Requirement.

Amounts in the Series 2021 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2021 A Bonds when due, when amounts in the Series 2021 A Bonds Sinking Fund are insufficient therefore and for no other purpose.

(5) The Issuer, through the Board, shall next, each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Ordinances, so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency

repairs, or improvements or extensions to the System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds and accounts as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

(7) The Issuer may next, each month, after making the above required transfers of monies from the Revenue Fund, apply any remaining revenues to payment of debt service on any other subordinate bonds, notes, certificates or other obligations of the System. Any Surplus Revenues then remaining in the Revenue Fund may be used for any lawful purpose of the System.

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created or continued hereunder, and all amounts required for said Sinking Funds shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Bonds, by the Issuer through the Board at the times and as otherwise provided herein. All remittances made by the Issuer through the Board to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited. Notwithstanding the foregoing, however, the Bond Commission shall deposit all remittances in the fund or account in the priority established by this Ordinance.

C. If on any monthly payment date the Gross Revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03 and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

E. Principal and interest payments, and any payments made for the purpose of funding the Reserve Accounts, shall be made on a parity basis and pro-rata, with respect to the Prior Bonds, the Series 2021 A Bonds and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required hereby.

ARTICLE V
INVESTMENTS; NON-ARBITRAGE REBATES AND CONTINUING DISCLOSURE

Section 5.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

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

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

(A) Qualified Investments acquired for the Renewal and Replacement Fund or any Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 3 years from the date of such investment.

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

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from a Reserve Account, whereupon it shall be valued immediately after such withdrawal. If no longer funded with a Municipal Bond Debt Service Reserve Insurance Policy equal to the Series 2021 A Bonds Reserve Requirement and the amounts on deposit in the Series 2021 A Bonds Reserve Account

shall, at any time, be less than the applicable Series 2021 A Bonds Reserve Requirement, the applicable Bond Insurer, if any, shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the respective sinking funds for the Prior Bonds and the Series 2021 A Bonds Sinking Fund and otherwise in accordance with Section 4.03.

(D) All amounts representing accrued and capitalized interest, if any, shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2021 A Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all monies deposited in the Series 2021 A Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia, 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2021 A Bonds in such manner and to such extent as may be necessary, so that such Series 2021 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Series 2021 A Bonds) so that the interest on the Series 2021 A Bonds will be and remain excludable from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate, Rebates, and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2021 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate

Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefore. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 5.04. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser, the form of which shall be approved by the Supplemental Resolution, sufficient to ensure compliance with Rule 15c2-12, as it may be amended from time to time, and the Issuer hereby instructs the Mayor, City Manager and City Clerk to take all actions necessary for the Issuer to comply with the Continuing Disclosure Agreement.

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2021 A Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2021 A Bonds as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2021 A Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds Not to be Indebtedness of the Issuer. The Series 2021 A Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the System, the monies in the Series 2021 A Bonds Sinking Fund and the Series 2021 A Bonds Reserve Account therein and the unexpended proceeds of the Series 2021 A Bonds, all as herein provided. No Holder or Holders of the Series 2021 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2021 A Bonds or the interest thereon.

Section 6.03. Series 2021 A Bonds Secured by Parity Pledge of Gross Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all of the Series 2021 A Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Gross Revenues derived from the operation of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The payment of the debt service on the Series 2021 A Bonds shall also be secured by the monies in the Series 2021 A Bonds Sinking Fund, including the Series 2021 A Bonds Reserve Account therein. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2021 A Bonds herein authorized, and to make the payments into the Series 2021 A Bonds Sinking Fund, all monies and securities in the Series 2021 A Bonds Sinking Fund, including the Series 2021 A Bonds Reserve Account therein, and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Prior Bonds and the Series 2021 A Bonds herein authorized as the same become due and for the other purposes provided in this Ordinance.

Section 6.04. Rates. So long as the Series 2021 A Bonds are outstanding, the Board covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Ordinance and in compliance with this Ordinance. In the event the schedule of rates and charges currently in effect for the System shall prove to be insufficient to produce the required sums set forth in this Ordinance, the Board 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 and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Ordinance. The City covenants to take all actions which may be required, necessary or helpful on its part to facilitate the actions of the Board as provided in this paragraph.

Prior to the issuance of the Series 2021 A Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer and at the offices of the Board, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. In compliance with applicable law, such schedule or schedules of rates and charges shall be changed and readjusted, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer and the Board hereby covenant and agree that so long as the Prior Bonds are outstanding, the schedule or schedules of rates and charges from time to time in effect shall be sufficient, together with other revenues of the System, to provide a rate coverage equal to the highest rate coverage required by either (a) the Prior Ordinances or (b) this Ordinance, as herein set forth, and thereafter such rates shall be sufficient, together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for

payment of principal of and interest on the Series 2021 A Bonds, and all obligations issued on a parity with the Series 2021 A Bonds, including the Prior Bonds. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System.

In the computation provided in the above paragraph, "revenues of the System" shall include increased Net Revenues estimated to be derived from any improvements under construction, and any change in rates enacted by the Board, the time for appeal of which shall have expired (without successful appeal) or such rates have been approved by the Public Service Commission of West Virginia with all requisite appeal periods having expired (without successful appeal), whether or not such approved rates are being charged and collected by the Board.

The Board covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within ninety (90) days following a determination of the Independent Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage. The City covenants to take all actions which may be required, necessary or helpful on its part to facilitate the actions of the Board as provided in this paragraph.

Section 6.05. Operation and Maintenance. The Issuer, through the Board, will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the Gross Revenues of said System in the manner provided in this Ordinance. The Issuer or the Board will obtain all permits required by state and federal laws for the operation of the System and all orders and approvals from the Public Service Commission of West Virginia necessary for the operation of the System.

Section 6.06. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer and the Board shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in the Prior Ordinances. Additionally, so long as the Series 2021 A Bonds are Outstanding, the System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, or to defease the pledge created by this Ordinance and the Prior Ordinances except as provided below. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the respective Sinking Funds, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Board by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board and the Issuer shall have and hereby reserve the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other

disposition of such property, if the amount to be received therefor is not in excess of $500,000, the Issuer and the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer and the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $500,000 but not in excess of $5,000,000, the Issuer and the Board shall first, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer and the Board may then by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $500,000 and not in excess of $5,000,000, shall be deposited by the Board into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer or the Board if the proceeds to be derived therefrom shall be in excess of $5,000,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer or the Board shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except additional parity Bonds provided for in Section 6.08 hereof, payable from the Revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Gross Revenues with the Series 2021 A Bonds; and all obligations hereafter issued by the Issuer payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such additional parity Bonds, being on a parity with the lien of the Series 2021 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2021 A Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Additional Parity Bonds, as hereinafter defined in this section, payable out of the revenues of the System shall be issued after the

issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of the design, acquisition or construction of extensions, additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, or refunding the Prior Bonds, to pay claims which may exist against the revenues or facilities of the System, or all of such purposes.

So long as the Series 2021 A Bonds are Outstanding, no such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Accountant, reciting the conclusion that the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the two Fiscal Years immediately following the Fiscal Year in which such Additional Parity Bonds are issued, if any, shall not be less than 115% of the Maximum Annual Debt Service on the following:

(1) The Bonds then Outstanding;

(2) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances and this Ordinance then Outstanding; and

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

The "estimated average increased annual Net Revenues" as that term is used in the computation provided in the above paragraph, shall include increased Net Revenues estimated to be derived from the improvements to be financed by such Additional Parity Bonds, if any, and any change in rates enacted by the Board, the time for appeal of which shall have expired (without successful appeal) or such rates have been approved by the Public Service Commission of West Virginia with the time for all available appeals having expired (without successful appeal) prior to the date of delivery of such Additional Parity Bonds, whether or not such approved rates are being charged and collected by the Board.

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Gross Revenues of the System on a parity with the Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2021 A Bonds, the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts

created in this Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

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

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance and the Prior Ordinances on account of the Bonds then Outstanding, if any (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance and the Prior Ordinances shall have been made in full as required to the date of delivery of the Additional Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Ordinance and the Prior Ordinances.

Provided, however, that when the Prior Bonds are no longer outstanding or in the event that the registered owners of the Prior Bonds waive the applicability of certain covenants contained in the Prior Ordinances, if the most recent audit by an independent certified public accountant for the Issuer or the Board for the Fiscal Year immediately preceding the proposed issuance of Additional Parity Bonds states that the Issuer or the Board was not in compliance with the rate covenant in Section 6.04 of this Ordinance for the year being audited and the Board has, as required by Section 6.04, enacted a rate ordinance for which all applicable appeal periods shall have expired (without successful appeal) implementing a rate increase sufficient to comply with Section 6.04, such statement in the most recent audit shall not be considered a violation of the covenants, agreements and terms of this Ordinance, so as to prevent the Issuer from issuing Additional Parity Bonds under this Section 6.08.

Section 6.09. Insurance and Bonds. The Issuer and the Board hereby covenant and agree, that so long as the Series 2021 A Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the time of war, the Issuer or the Board will also carry and maintain insurance to the extent available against risks and hazards of war. In the event of any damage to or destruction of any portion of the System, the Issuer or the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only

for the repairs and restoration of the damaged and destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer or the Board will themselves, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer and the Board during construction of the Project in the full insurable value thereof.

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

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

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

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

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

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

If required by State law, the Issuer and/or the Board shall require all contractors engaged in the acquisition, construction or equipping of any additions, betterments or

improvements for the System to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price for that particular contract as security for the faithful performance of such contract.

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

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

Section 6.10. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer, through the Board, shall require every owner, tenant or occupant of any house, dwelling, or building intended to be served by the System to connect thereto.

Section 6.11. No Free Services. The Board will not render or cause to be rendered any free services of any nature by the System; and, in the event the Board, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Board, the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Board and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of twenty (20) days after the same shall become due

and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other charges, if not paid, shall become a lien on the premises served by the System. The Issuer and the Board further covenant and agree that they will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System to all delinquent users of services and facilities of the System and will not restore such services of the System until all billing for charges for the services and facilities of the System, including penalties and reconnect fees, have been fully paid, or a payment agreement in compliance with the West Virginia Public Service Commission regulations has been entered.

Section 6.13. No Competing Franchise. To the extent legally allowable, the Issuer and the Board will not grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.14. Books and Records. The Issuer or the Board will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Issuer and the Board relating thereto.

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

The Issuer or the Board shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants.

Section 6.15. Operating Budget. The Issuer or the Board shall annually, at least thirty (30) days preceding the beginning of each Fiscal Year, or at such earlier date required by its charter, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year.

Section 6.16. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2021 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2021 A Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2021 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2021 A Bonds during the terms thereof is, under the terms of such Series 2021 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2021 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2021 A Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related, all of which shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2021 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2021 A Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2021 A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2021 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.17. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2021 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2021 A Bonds and shall be on a

parity with one another and with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 6.18. Continuing Disclosure. In order to provide the written undertaking for the benefit of the owners of the Series 2021 A Bonds required by the Securities and Exchange Commission Rule 15c2-12, the Issuer shall enter into a Continuing Disclosure Agreement in such form as may be approved by the Supplemental Resolution, and the Mayor and City Manager are authorized and directed to execute and deliver such Continuing Disclosure Agreement on behalf of the Issuer, with such changes as the Mayor and City Manager shall approve, such approval to be conclusively evidenced by the execution of such Agreement by the Mayor and City Manager.

Section 6.19. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer may obtain a Municipal Bond Insurance Policy for all, or certain maturities, of the Series 2021 A Bonds. In the event such Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2021 A Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2021 A Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.20. Covenants Regarding the Municipal Bond Debt Service Reserve Insurance Policy. The Issuer may obtain a Municipal Bond Debt Service Reserve Insurance Policy either contemporaneously with, or subsequent to, the date of issuance of the Series 2021 A Bonds to fund the Series 2021 A Bonds Debt Service Reserve Account in an amount equal to the Series 2021 A Bonds Reserve Requirement. In the event such Municipal Bond Debt Service Reserve Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants shall be set forth in full in a Supplemental Resolution, shall apply to the Series 2021 A Bonds, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

In the event that the Issuer does not obtain a Municipal Bond Debt Service Reserve Insurance Policy contemporaneously with the issuance of the Series 2021 A Bonds, the Issuer may, so long as the Series 2021 A Bonds are outstanding, via the adoption of a Supplemental Resolution, fund the Series 2021 A Bonds Reserve Account with a Municipal Bond Debt Service Reserve Insurance Policy in an amount equal to the Series 2021 A Bonds Reserve Requirement and any additional covenants of the Issuer required by the Bond Insurer shall be set forth in such Supplemental Resolution, shall apply to the Series 2021 A Bonds, and shall be controlling in the event any other provisions of the Ordinance or any other Supplemental Resolution may be in conflict therewith.

Section 6.21. Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2021 A Bonds shall be and the same is hereby approved. The form of the Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Mayor and City Manager are hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with

such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2021 A Bonds and as the Mayor and City Manager may approve (the "Official Statement"). The execution of the Official Statement by the Mayor and City Manager shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.22. Designation of Series 2021 A Bonds as "Qualified Tax-Exempt Obligations". Except with respect to the portion of the principal amount of the Series 2021 A Bonds which are deemed designated pursuant to Section 265(b)(3)(D), the Issuer hereby designates the Series 2021 A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2021 A Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2021 A Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2021, all as determined in accordance with the Code.

Section 6.23. Bond Purchase Agreement. The Series 2021 A Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor and City Manager are specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

Section 6.24. Bond Documents. The Issuer shall deliver an Escrow Agreement, Tax Certificate, Tax Compliance Policy and such other closing documents as shall be required for the issuance of the Series 2021 A Bonds, in forms acceptable to the Original Purchaser, the forms of which shall be approved by the Supplemental Resolution, and the Mayor and City Manager are authorized and directed to execute and deliver such Escrow Agreement, Tax Certificate, Tax Compliance Policy and other closing documents on behalf of the Issuer, with such changes as the Mayor and City Manager shall approve, such approval to be conclusively evidenced by the execution of the Tax Certificate and such other closing documents by the Mayor and City Manager. The Mayor, City Manager and City Clerk are further authorized to take all actions necessary for the Issuer to comply with the Escrow Agreement, Tax Certificate, the Tax Compliance Policy and such other closing documents.

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2021 A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2021 A Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Series 2021 A Bonds contained, and such default shall have continued for a period of thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Registered Owner of any Series 2021 A Bond or any Bond Insurer; or

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

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

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Registered Owner of any Series 2021 A Bond (with the prior written consent of the applicable Bond Insurer) or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce its rights and, in particular:

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

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

(C) Bring suit upon the Series 2021 A Bonds, as applicable;

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2021 A Bonds; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Registered Owners of the Series 2021 A Bonds or Bond Insurer; provided that, all rights and remedies of the Registered Owners of the Series 2021 A Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

No remedy by the terms of this Ordinance conferred upon or reserved to the Registered Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Registered Owners hereunder or now or hereafter existing at law or by statute, all pro rata, with respect to

the Prior Bonds and the Series 2021 A Bonds, in accordance with the respective principal amounts then Outstanding.

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

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

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Registered Owner shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer and the Board, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Series 2021 A Bonds and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Series 2021 A Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Gross Revenues of the System shall have been paid and made good, and all defaults under the provisions of this Ordinance and any Supplemental Resolution shall have been cured and made good and all monies due hereunder or under any Supplemental Resolution have been paid in full, possession of the System shall be surrendered to the Issuer and the Board upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such

court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and the Board and for the joint protection and benefit of the Issuer, the Board, and the Registered Owners of the Series 2021 A Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and the Registered Owners of the Series 2021 A Bonds, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Registered Owners of the Series 2021 A Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee representing the Registered Owners of the Series 2021 A Bonds shall consider the effect on the Registered Owners of the Series 2021 A Bonds as if no Municipal Bond Insurance Policy were then in effect.

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

ARTICLE VIII
REGISTRAR, PAYING AGENT AND DEPOSITORY BANK

Section 8.01. Appointment of Registrar, Paying Agent and Depository Bank. The Registrar, Paying Agent and Depository Bank (collectively, the "Fiduciaries") for the Series 2021 A Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Fiduciaries, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Fiduciaries. The recitals of fact in the Series 2021 A Bonds shall be taken as statements of the Issuer, and the Fiduciaries shall not be responsible for their accuracy. The Fiduciaries shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2021 A Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2021 A Bonds. The Fiduciaries and any successor thereto shall agree to perform all the duties and responsibilities

spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

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

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Fiduciaries from time to time reasonable compensation for all services, including the transfer of registration of Series 2021 A Bonds, the first exchange of Series 2021 A Bonds and the exchange of Series 2021 A Bonds in the event of partial redemption, incurred in the performance of their duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2021 A Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Registered Owners or effect or aid in any reorganization growing out of the enforcement of the Series 2021 A Bonds or this Ordinance, whether or not any such committee shall represent the Registered Owners of a majority in principal amount of the Series 2021 A Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than sixty (60) days' written notice to the Issuer and mailing such notice to each Bondholder, specifying the date when such resignation shall take effect. Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or Bondholders, in which event such resignation shall take effect immediately, provided that in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer or by the Registered Owners of a majority in principal amount of the Series 2021 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer or by such Registered Owners or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

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

insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2021 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall mail to each Bondholder notice of any such appointment within twenty (20) days after the effective date of such appointment. Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within forty-five (45) days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it and relating to the Series 2021 A Bonds to its successor.

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

Section 8.11. Adoption of Authentication. In case any of the Series 2021 A Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Series 2021 A Bonds so authenticated, and, in case any Series 2021 A Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Series 2021 A Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The Paying Agent for the Series 2021 A Bonds shall be the Commission or any other Paying Agent appointed by the Issuer pursuant to a Supplemental Resolution pertaining to such Series 2021 A Bonds. Any alternate Paying Agent must be a bank, trust company, national banking association or other entity authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2021 A Bonds shall be and remain DTC-Eligible.

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

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

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

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

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

ARTICLE IX
DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Registered Owners of all Series 2021 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Gross Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Registered Owners of the Series 2021 A Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2021 A Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay, as and when due, the respective principal of and interest on such Series 2021 A Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2021 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or

securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2021 A Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Series 2021 A Bonds prior to the maturity thereof, on and prior to said redemption date.

Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2021 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Series 2021 A Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X
MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to the issuance of the Series 2021 A Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2021 A Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Registered Owner of the Series 2021 A Bonds or other person, be amended, modified or supplemented in any manner which, in the written opinion of Bond Counsel, does not materially adversely affect the interests of the Registered Owners of the Series 2021 A Bonds or any Bond Insurer; provided, that in the event any of the Series 2021 A Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Series 2021 A Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made (i) without the written consent of the Registered Owners of 60% in aggregate principal amount of the Series 2021 A Bonds then Outstanding and affected thereby; or (ii) the Bond Insurer. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2021 A Bond without the express written consent of the Registered Owner of such Series 2021 A Bond, nor reduce the percentage of Series 2021 A Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Registered Owners and Ownership of Series 2021 A Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Registered Owners may be in

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

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

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

C. The amount of fully registered Series 2021 A Bonds held by a person executing any instrument as a Registered Owner, the date of his holding such Series 2021 A Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

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

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

Section 10.04. Cancellation of Series 2021 A Bonds. All Series 2021 A Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Series 2021 A Bonds shall be deemed Outstanding under this Ordinance and no Series 2021 A Bonds shall be issued in lieu

thereof. All such Series 2021 A Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Series 2021 A Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2021 A Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

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

CITY:

City of Clarksburg
c/o Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26301
Attention: General Manager

REGISTRAR

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

PAYING AGENT:

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

DEPOSITORY BANK:

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

ORIGINAL PURCHASERS:

Crews & Associates, Inc.
69 Clay Street, Suite 202
Morgantown, West Virginia 26501

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

Section 10.07. No Personal Liability. No member of the Council, the Board or officer or employee of the Issuer or the Board shall be individually or personally liable for the payment of the principal of or the interest on any Series 2021 A Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2021 A Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2021 A Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2021 A Bonds, the Bond Insurer and the Original Purchaser.

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

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

Section 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided however, that the Prior Ordinances shall remain in full force and effect so long as any of the Prior Bonds are Outstanding.

Section 10.13. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto;

and that the Mayor, City Clerk and members of the Council 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 10.14. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the City Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six (6) full days between each publication, the first such publication to be not less than ten (10) days before the date stated below for the public hearing, in the *Clarksburg Exponent/Telegram*, a newspaper published and having a general circulation in the City of Clarksburg, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds described in this Ordinance and that any person interested may appear before the Council of the Issuer at the public hearing to be had at a public meeting of the Council at the date, time and location stated in the notice, and present protests, and that a certified copy of this Ordinance is on file with the City Clerk for review by interested parties during the office hours of the City Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

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Section 10.15. Effective Date. This Ordinance shall take effect immediately upon enactment.

First Reading:	January 21, 2021
Second Reading:	February 4, 2021
Passed on Final Reading Following Public Hearing:	February 18, 2021

Enacted this 18th day of February, 2021.

[SEAL]

Mayor

City Manager

ATTEST:

City Clerk

APPROVED AND CORRECT AS TO FORM:

City Attorney

APPROVED:

President, Clarksburg Water Board

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the Council of the CITY OF CLARKSBURG at a regular meeting of the Council held at 7:00 p.m., on February 18, 2021, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper published and having a general circulation in the City of Clarksburg, the first publication having been not less than 10 days prior to such public hearing.

Dated this 18th day of March, 2021.

[SEAL]

Annette Wright
City Clerk

EXHIBIT A – FORM OF SERIES 2021 A BOND

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS, SERIES 2021 A (TAX EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL PERSONS BY THESE PRESENTS: That the CITY OF CLARKSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefore, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or

exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

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

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated the "City of Clarksburg (West Virginia) Water Refunding Revenue Bonds, Series 2021 A (Tax-Exempt)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2021, the proceeds of which are to be used (i) to finance the costs of refunding the City's Water Revenue Bonds, Series 2014 A (Tax-Exempt) (the "Series 2014 A Bonds"), (ii) to pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2021 A Bonds Reserve Account, (iii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2021 A Bonds in an amount equal to the Series 2021 A Bonds Reserve Requirement and (iii) to pay costs of issuance of the Series 2021 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (together, the "Act"), and an ordinance duly enacted by the Council of the Issuer on _____, 2021, as supplemented by a supplemental resolution adopted by said Council on _____, 2021 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed

counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of Clarksburg, West Virginia.

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

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

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

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

Bonds Maturing 1, 20

Year ( )	Principal Amount

Bonds Maturing 1, 20

Year ( )	Principal Amount

_____
* Final Maturity

In the event of any redemption of less than all outstanding Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed

appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

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

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

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH THE BONDS AS TO LIENS, PLEDGE, SOURCE OF AND SECURITY FOR PAYMENT, AS FOLLOWS: (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED APRIL 23, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,383,850 (THE "SERIES 2001 A BONDS"); AND (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED SEPTEMBER 28, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,885,764 (THE "SERIES 2004 A BONDS") (COLLECTIVELY REFERRED TO HEREIN AS THE "PRIOR BONDS").

The Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity in all respects with the pledge of the Gross Revenues in favor of the holders of the Prior Bonds and from monies in the Series 2021 A Bonds Sinking Fund and the Series 2021 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2021 A Bonds Sinking Fund and the Series 2021 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations

secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay the entire outstanding principal of, and accrued interest on, the Series 2014 A Bonds, pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of and interest on the Bonds, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in an amount equal to the Series 2021 A Bonds Reserve Requirement and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the Registered Owners of the Bonds.

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

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

This Bond and the interest thereon is, under the Act, exempt from all taxation by the State of West Virginia, except inheritance, estate and transfer taxes.

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

All provisions of the Ordinance, and the statutes under which this 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.

This Bond is hereby designated a "qualified tax-exempt obligation" by the Issuer within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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

[SEAL]

(Manual or Facsimile Signature)
Mayor

(Manual or Facsimile Signature)
City Manager

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

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

Dated: _____, 20__.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

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

Dated: _____, 20__.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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