

**CITY OF FOLLANSBEE
WATER REVENUE BONDS,
SERIES 2019
(WEST VIRGINIA DWTRF PROGRAM)**

BOND ORDINANCE

TABLE OF CONTENTS

Page

ARTICLE I STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01	Authority for this Ordinance	2
Section 1.02	Findings and Determinations	2
Section 1.03	Bond Legislation Constitutes Contract	4
Section 1.04	Definitions	4

ARTICLE II AUTHORIZATION OF DESIGN, ACQUISITION AND CONSTRUCTION OF THE PROJECT; APPROVAL OF THE LOAN AGREEMENT

Section 2.01	Authorization of Design, Acquisition and Construction of the Project	11
Section 2.02	Approval of Loan Agreement	11

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

Section 3.01	Authorization of Bonds	12
Section 3.02	Terms of Bonds	12
Section 3.03	Execution of Bonds	13
Section 3.04	Authentication and Registration	13
Section 3.05	Negotiability, Transfer and Registration	13
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	14
Section 3.07	Bonds not to be Indebtedness to the Issuer	14
Section 3.08	Bonds Secured by Pledge of Gross Revenues; Lien Positions With Respect to Prior Bonds	14
Section 3.09	Delivery of Bonds	15
Section 3.10	Forms of Series 2019 Bonds	15
	[FORM OF SERIES 2019 BONDS]	16
Section 3.11	Sale of Series 2019 Bonds; Approval and Ratification of Execution of Loan Agreement with Authority	23
Section 3.12	Series 2019 Bonds are Issued as Parity Bonds With Respect To Prior Bonds	23
Section 3.13	Filing of "Amended Schedule"	23

ARTICLE IV
[RESERVED]

[Reserved]	24
------------------	----

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND
APPLICATION THEREOF

Section 5.01	Establishment or Continuance of Funds and Accounts with Depository Bank	25
Section 5.02	Establishment of Funds and Accounts with Commission.....	25
Section 5.03	System Revenues; Flow of Funds.....	25

ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds.....	30
Section 6.02	Disbursements from the Construction Trust Fund.....	30

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer	32
Section 7.02	Bonds not to be Indebtedness of the Issuer.....	32
Section 7.03	Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds.....	32
Section 7.04	Initial Schedule of Rates and Charges	32
Section 7.05	Sale of the System.....	33
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances.....	34
Section 7.07	Parity Bonds.....	34
Section 7.08	Books; Records and Audit	36
Section 7.09	Rates.....	37
Section 7.10	Operating Budget and Monthly Financial Report.....	38
Section 7.11	Engineering Services and Operating Personnel.....	39
Section 7.12	No Competing Franchise	39
Section 7.13	Enforcement of Collections	39
Section 7.14	No Free Services	40
Section 7.15	Insurance and Construction Bonds	40
Section 7.16	Connections.....	41
Section 7.17	Completion and Operation of Project; Permits and Orders	42
Section 7.18	Compliance With Loan Agreement and Law	42
Section 7.19	Contracts; Public Releases	42
Section 7.20	Statutory Mortgage Lien	42
Section 7.21	Securities Laws Compliance.....	43

ARTICLE VIII
INVESTMENT OF FUNDS

Section 8.01	Investments	44
Section 8.02	Certificate as to Use of Proceeds	44

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01	Events of Default	46
Section 9.02	Remedies	46
Section 9.03	Appointment of Receiver	46

ARTICLE X
PAYMENT OF BONDS

Section 10.01	Payment of Series 2019 Bonds	48
---------------	------------------------------------	----

ARTICLE XI
MISCELLANEOUS

Section 11.01	Amendment or Modification of Bond Legislation	49
Section 11.02	Bond Legislation Constitutes Contract	49
Section 11.03	Severability of Invalid Provisions	49
Section 11.04	Headings, Etc	49
Section 11.05	Conflicting Provisions Repealed	49
Section 11.06	Covenant of Due Procedure, Etc	49
Section 11.07	Effective Time	50
Section 11.08	Statutory Notice and Public Hearing	50
Signature Page		50
Certificate		51

CITY OF FOLLANSBEE

BOND ORDINANCE

ORDINANCE AUTHORIZING THE DESIGN, ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS SYSTEM OF THE CITY OF FOLLANSBEE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF FOLLANSBEE OF NOT MORE THAN ONE MILLION DOLLARS (\$1,000,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2019 (WEST VIRGINIA DWTRF PROGRAM), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA BUREAU FOR PUBLIC HEALTH 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 BY THE COUNCIL OF THE CITY OF FOLLANSBEE:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any order, ordinance 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of Follansbee (the "Issuer") is a municipal corporation of the State of West Virginia in Brooke County of said State.

B. The Issuer presently owns and operates a municipal waterworks system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be designed and constructed certain extensions, additions, betterments and improvements to the Issuer's existing waterworks system, including the extensions, additions, betterments and improvements described in Exhibit A hereto (collectively, the "Project") (the Issuer's existing waterworks system, the Project and any further additions, extensions, betterments and improvements thereto are herein called the "System") in accordance with the plans and specifications prepared or to be prepared by Ghosh Engineers, Inc., Consulting Engineers, which plans and specifications have heretofore been filed or will be filed with the Issuer.

C. 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 the costs of the operation and maintenance of the System, the principal of and interest on the Series 2019 Bonds and the Prior Bonds and all Sinking Funds, Reserve Accounts and other payments provided for herein, all as such terms are hereinafter defined.

D. It is further deemed necessary for the Issuer to issue its water revenue bonds in the total aggregate principal amount of not more than \$1,000,000, being the Water Revenue Bonds, Series 2019 (West Virginia DWTRF Program) (the "Series 2019 Bonds"), to permanently finance the costs of the design, acquisition and construction of the Project and related costs. 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 2019 Bonds prior to and during construction and acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Series 2019 Bonds Reserve Account; 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 of the Authority and BPH (as hereinafter defined), including the DWTRF 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 2019 Bonds and such other expenses as may be necessary or incidental to the financing herein

authorized, the design, 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 2019 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 22 years.

F. It is in the best interest of the Issuer that its Series 2019 Bonds be issued and sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement to be entered into between the Issuer and the Authority, acting on behalf of the West Virginia Bureau for Public Health ("BPH") with respect to the Series 2019 Bonds (the "Loan Agreement"), the execution, delivery and form of which are ratified and approved herein.

G. There are outstanding obligations of the Issuer which will rank on parity with the Series 2019 Bonds as to liens and sources of and security for payment, which obligations are designated and have the lien positions, together with the Series 2019 Bonds, as follows:

Designation	Lien Position
Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority) dated August 16, 2002, issued in the original aggregate principal amount of \$7,790,000 (the "Prior Bonds")	First Lien

The Series 2019 Bonds shall be issued on parity with the Prior Bonds with respect to liens, pledges and sources of and security for payment and in all other respects. The Issuer has received, or will receive prior to the bond closing date (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 consent of the registered owners of the Prior Bonds to the issuance of the Series 2019 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by the revenues or assets of the System.

H. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the planning, development, design, acquisition, construction and operation of the Project and the System and issuance of the Series 2019 Bonds or will have so complied prior to issuance of any thereof, including, among other things, receiving the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council, and either obtaining a determination by the Public Service Commission of West Virginia that a Certificate of Public Convenience and Necessity is not needed for the Project or obtaining a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal

of which has expired prior to the issuance of the Series 2019 Bonds or has been waived by all necessary parties.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall be the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Bonds, as the case may be, 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 Code of West Virginia, 1931, as amended and in effect on the date of enactment hereof.

“Authority” means the West Virginia Water Development Authority, or any other agency of the State of West Virginia that succeeds to the functions of the Authority, which is expected to be the original purchaser of the Series 2019 Bonds, provided that the Issuer must satisfy the legal and other requirements of the DWTRF Program.

“Authorized Officer” means the Mayor of the Issuer or any other officer of the Issuer duly appointed by the Governing Body.

“Bond Legislation,” “Ordinance,” “Bond Ordinance” or “Local Act” means this Bond Ordinance and all orders, ordinances 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.

“Bondholder,” “Holder of the Bonds,” “Holder” 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.

“Bonds” means, collectively, the Prior Bonds, Series 2019 Bonds and, where appropriate, any bonds on a parity therewith 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.

“Certificate of Authentication and Registration” means the certificate of authentication and registration on the Series 2019 Bonds in substantially the form set forth in the bond form contained herein.

“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 2019 Bonds for an advance of more than a de minimis amount of the principal of the Series 2019 Bonds by the Authority.

“Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time, 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 Ghosh Engineers, Inc., or any qualified engineer or firm of professional engineers, licensed by the State, who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions, that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

“Costs” or “Costs of the Project” means those costs described in Section 1.02D 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.

“DWTRF Administrative Fee” means the administrative fee payable pursuant to the Loan Agreement.

“DWTRF Program” means the drinking water facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Safe Drinking Water Act and administered by BPH.

“DWTRF Regulations” means the regulations set forth in the West Virginia Code of State Regulations relating to the DWTRF Program.

“Event of Default” means any occurrence or event specified in Section 9.01.

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

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

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

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

“Gross Revenues” means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that “Gross Revenues” 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 Section 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” shall mean any public accountant or certified public accountant or firm of public accountants or certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

“Issuer” means City of Follansbee, a municipal corporation of the State of West Virginia in Brooke County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Loan Agreement” means, the Drinking Water Treatment Revolving Fund Loan Agreement entered into 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 2019 Bonds from the Issuer by the Authority, attached hereto as Exhibit B, the form of which is approved, and the execution and delivery by the Issuer are authorized and directed by Section 3.11 hereof and 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, maintenance and operation 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 DWTRF Administrative Fee, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent (all as herein defined), 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.

“Outstanding,” when used with reference to Bonds as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any 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 hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X and (iv) for purposes of consents or other action by a specified percentage of Bondholders, Bonds registered to the Issuer.

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

“Paying Agent” means the Commission, or such other entity or authority as may be designated by the Issuer.

“Prior Bonds” means the Issuer’s Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 16, 2002, issued in the original aggregate principal amount of \$7,790,000.

“Prior Ordinance” means the Ordinance enacted by the Issuer authorizing the issuance of the Prior Bonds, as supplemented and amended.

“Project” means the extensions, additions, betterments and improvements to the Issuer’s existing waterworks system, including the extensions, additions, betterments and improvements described in Exhibit A hereto.

“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 and demand 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 Code of West Virginia, 1931, as amended; and

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

"Registered Owner," "Bondholder," "Holder" or any similar term means whenever used herein with respect to an outstanding Bond, 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 established or continued by Section 5.01 hereof.

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2019 Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in the Reserve Accounts for the Series 2019 Bonds and Prior Bonds.

“Revenue Fund” means the Revenue Fund established or continued by Section 5.01 hereof.

“Series 2002 Bonds Reserve Account” means the Reserve Account established for the Prior Bonds in the Prior Ordinance.

“Series 2002 Bonds Sinking Fund” means the Sinking Fund established for the Prior Bonds in the Prior Ordinance.

“Series 2019 Bonds” means the Water Revenue Bonds, Series 2019 (West Virginia DWTRF Program), of the Issuer, authorized by this Ordinance, the original aggregate principal amount of which shall be as set forth in the Supplemental Resolution.

“Series 2019 Bonds Reserve Account” means the Series 2019 Bonds Reserve Account established in the Series 2019 Bonds Sinking Fund pursuant to Section 5.02 hereof.

“Series 2019 Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2019 Bonds in the then concurrent or any succeeding year.

“Series 2019 Bonds Sinking Fund” means the Series 2019 Bonds Sinking Fund established by Section 5.02 hereof.

“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 2019 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2019 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 or any other obligations of the Issuer, as further defined in Section 5.03(B) hereof.

“System” means the complete existing waterworks system now owned by the Issuer, consisting of a waterworks system in its entirety or any integral part thereof, including all mains, hydrants, meters, valves, standpipes, storage tanks, pump tanks, pumping stations, intakes, wells, impounding reservoirs, pumps, machinery, equipment, furniture, fixtures, purification plants and softening apparatus and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a water supply system, and shall include the Project and any further extensions, 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. Accounting terms not specifically defined herein shall be given the meaning in accordance with generally accepted accounting principles.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

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 Resolution.

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

ARTICLE II

AUTHORIZATION OF THE DESIGN, ACQUISITION AND CONSTRUCTION OF THE PROJECT; APPROVAL OF THE LOAN AGREEMENT

Section 2.01. Authorization of Design, Acquisition and Construction of the Project. There is hereby authorized the design, acquisition and construction of the Project, at an estimated cost of \$1,000,000, in accordance with the plans and specifications which have been prepared by or will be prepared by the Consulting Engineers, heretofore filed or to be filed in the office of the Governing Body. The foregoing Project costs, including without limitation costs associated with the issuance of the Series 2019 Bonds, shall be paid with the proceeds of the Series 2019 Bonds. The proceeds of the Series 2019 Bonds hereby authorized shall be applied as provided in Article VI hereof.

Section 2.02. Approval of Loan Agreement. The Issuer hereby approves the Loan Agreement and the sale of the Series 2019 Bonds pursuant to the Loan Agreement. The Issuer is hereby authorized and directed to execute and deliver the Loan Agreement to the Authority. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement.

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 2019 Bonds, funding a reserve account for the Series 2019 Bonds, paying Costs of the Project not otherwise provided for, and paying certain costs of issuance of the Series 2019 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be issued negotiable Series 2019 Bonds of the Issuer, in an aggregate principal amount of not more than \$1,000,000. The Series 2019 Bonds shall be issued initially as a single bond designated "Water Revenue Bonds, Series 2019 (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 2019 Bonds remaining after the funding of the Series 2019 Bonds Reserve Account (if funded from the Bond proceeds), capitalization of interest, if any, shall be deposited in or credited to the Series 2019 Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

The aggregate principal amount of the Series 2019 Bonds need not be paid to the Issuer upon delivery of the Series 2019 Bonds but may be advanced to the Issuer as requested by the Issuer from time to time; and the Series 2019 Bonds shall evidence only the indebtedness recorded on the Record of Advances attached hereto and incorporated therein.

Section 3.02. Terms of Bonds. The Series 2019 Bonds shall be issued in such principal amounts not to exceed \$1,000,000 in the aggregate; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2019 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 2019 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 2019 Bonds shall 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 2019 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2019 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 or another ordinance. The Bonds shall be dated as of the date specified in a Supplemental Resolution or another ordinance and shall bear interest, if any, from such date.

Section 3.03. Execution of Bonds. The Series 2019 Bonds shall be executed in the name of the Issuer by the Mayor and 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 any of the Series 2019 Bonds shall cease to be such officer of the Issuer before the Series 2019 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 2019 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 2019 Bond 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 Series 2019 Bond shall be conclusive evidence that such Series 2019 Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2019 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 2019 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 any of said Bonds shall be conclusively deemed to have agreed that such Series 2019 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bond shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2019 Bonds remain Outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain the books for the registration and transfer of the Bonds.

The registered Series 2019 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 2019 Bonds or transferring the registered Series 2019 Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2019 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2019 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 2019 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2019 Bonds or, in the case of any proposed redemption of Series 2019 Bonds, next preceding the date of the selection of Series 2019 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 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 cancelled 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 2019 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 and amounts, if any, in the Series 2019 Bonds Sinking Fund and the Series 2019 Bonds Reserve Account. No holder or holders of any of the Series 2019 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2019 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 all the Series 2019 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2019 Bonds and the Prior Bonds and to make the payments into all funds and accounts either existing or hereinafter established are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2019 Bonds and Prior Bonds as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2019 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2019 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 2019 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 2019 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 approving opinion of bond counsel on the Series 2019 Bonds.

Section 3.10. Form of Series 2019 Bonds. The text of the Series 2019 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 Series 2019 Bond]

**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF FOLLANSBEE
WATER REVENUE BOND,
SERIES 2019
(WEST VIRGINIA DWTRF PROGRAM)**

No. R-_____

\$_____

KNOW ALL MEN BY THESE PRESENTS: That CITY OF FOLLANSBEE, a municipal corporation and political subdivision of the State of West Virginia in Brooke 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 (\$ _____), 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 of principal on March 1, June 1, September 1 and December 1 of each year, commencing on _____, _____, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference, with interest on each installment of the rate of [three percent (3.0%)] per annum as set forth on said Exhibit B.

The interest and the DWTRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____, 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 and DWTRF Administrative Fee on this Bond are 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 Registrar (as defined in the hereinafter described Bond Legislation) on the 15th day of the month next preceding an interest and DWTRF Administrative Fee 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 only be redeemed prior to its stated date of maturity in whole or in part but only with the express written consent of the Authority and the West Virginia Bureau for Public Health ("BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Drinking Water Treatment Revolving Fund Loan Agreement between the Issuer and the Authority, acting on behalf of the BPH, dated _____, 20____.

This Bond is issued (i) to permanently finance a portion of the costs of the design, acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance

hereof and related costs. The existing public waterworks system of the Issuer, the Project and any further 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), and an Ordinance duly enacted by the Issuer on _____, 20____ and a Supplemental Resolution duly adopted by the Issuer on _____, 20____ (collectively called 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 securities provided for the Bonds of this Series (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 WATER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE ISSUER, DATED AUGUST 16, 2002, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$7,790,000 (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 System, on a parity with the pledge of the 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 2019 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, 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 moneys in the Series 2019 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 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 2019 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 on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to the payment of the Costs of the Project 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 in 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 Net 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 this Bond.

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

IN WITNESS WHEREOF, the CITY OF FOLLANSBEE 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 _____, 2018.

CITY OF FOLLANSBEE

[SEAL]

Mayor

City Manager

ATTEST:

City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2019 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: _____,

_____,
as Registrar

By _____
Its: Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

	<u>Amount</u>	<u>Date</u>		<u>Amount</u>	<u>Date</u>
(1)	\$		(7)	\$	
(2)	\$		(8)	\$	
(3)	\$		(9)	\$	
(4)	\$		(10)	\$	
(5)	\$		(11)	\$	
(6)	\$		(12)	\$	

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 Series 2019 Bonds: Approval and Ratification of Execution of Loan Agreement with Authority. The Series 2019 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and ratified. If not so authorized by previous resolution or ordinance, the Mayor is specifically authorized and directed to execute the Loan Agreement substantially in the form attached hereto as Exhibit B 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.

Section 3.12. Series 2019 Bonds are Issued as Parity Bonds with Respect to Prior Bonds. The Series 2019 Bonds are issued as and shall constitute parity bonds with respect to the Prior Bonds. The Issuer has received, or will receive prior to the bond closing date (1) a certificate of Independent Certified Public Accountants stating that the parity tests of the Prior Bonds have been met and (2) the written consent of the Holders of all of the Outstanding Prior Bonds for the issuance of the Series 2019 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by the revenues or assets of the System.

Section 3.13. Filing of "Amended Schedule". Upon completion of acquisition and construction of the Project, the Issuer will file with the BPH and the Authority an amended Schedule, the form of which will be provided by BPH, 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 or Continuance of Funds and Accounts with Depository Bank. The following special funds or accounts are created (or continued if previously established or continued by the Prior Ordinance) with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

- A. Revenue Fund (created or continued by the Prior Ordinance);
- B. Renewal and Replacement Fund (created or continued by the Prior Ordinance); and
- C. Series 2019 Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by the Prior Ordinances) with the Commission:

- A. Series 2002 Bonds Sinking Fund (created or continued by the Prior Ordinance);
- B. Within the Series 2002 Bonds Sinking Fund, the Series 2002 Bonds Reserve Account (created or continued by the Prior Ordinance);
- C. Series 2019 Bonds Sinking Fund; and
- D. Within the Series 2019 Bonds Sinking Fund, the Series 2019 Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System 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 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 herein provided. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and 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 Series 2002 Bonds Sinking Fund, the amount required by the Prior Ordinance for payment of interest on the Prior Bonds; and (ii) beginning 3 months prior to the first interest payment date on the Series 2019 Bonds, for deposit in the Series 2019 Bonds Sinking Fund, a sum equal to 1/3rd of the amount of interest which will become due on the Series 2019 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 2019 Bonds Sinking Fund and the next ensuing 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 ensuing quarterly interest payment date, the required amount of interest coming due on such date.

2. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 2002 Bonds Sinking Fund, the amounts required by the Prior Ordinance for payment of principal of the Prior Bonds; and (ii) beginning 3 months prior to the first principal payment date of the Series 2019 Bonds, for deposit in the Series 2019 Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on the Series 2019 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 2019 Bonds Sinking Fund and the next ensuing quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next ensuing quarterly principal payment date, the required amount of principal coming due on such date.

3. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 2002 Bonds Reserve Account the amount required by the Prior Ordinance to be deposited therein; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2019 Bonds, if not fully funded upon issuance of the Series 2019 Bonds, for deposit in the Series 2019 Bonds Reserve Account, an amount equal to 1/120 of the Series 2019 Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2019 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 2019 Bonds Reserve Requirement.

4. The Issuer shall first each month pay from the monies in the Revenue Fund all current Operating Expenses of the System.

5. The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Renewal and Replacement Fund month (as previously set forth in the Prior Ordinance 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. Moneys in the Renewal and Replacement Fund shall be used first to make up deficiencies for monthly payments of the principal of and interest on the Prior Bonds and/or the Series 2019 Bonds as the same become due, and next to restore to the Series 2002 Bonds Reserve Account, or the Series 2019 Bonds Reserve Account any sum or sums transferred therefrom, and provided that in the event there are not sufficient moneys in the Renewal and Replacement Fund to make the transfer required by this sentence, such transfers shall be made on a pro rata basis. Thereafter, and provided that payments into the Series 2002 Bonds Reserve Account, and the Series 2019 Bonds Reserve Account are current and in accordance with the foregoing provisions, moneys in the Renewal and Replacement Fund may be withdrawn by the Issuer and used for extraordinary repairs and for capital replacements, improvements or additions and capital equipment for the System, or any part thereof.

Moneys in the Series 2019 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2019 Bonds as the same shall become due. Moneys in the Series 2019 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2019 Bonds, as the same shall come due, when other moneys in the Series 2019 Bond Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2019 Bonds Sinking Fund and the Series 2019 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 2019 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 due on the Series 2019 Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2019 Bonds Reserve Account which result in a reduction in the balance of the Series 2019 Bonds Reserve Account to below the Series 2019 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 2019 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2019 Bonds Sinking Fund, or into the Series 2019 Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2019 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest 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 Prior Bonds and the Series 2019 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 2019 Bonds Sinking Fund and the Series 2019 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. The Issuer shall make the necessary arrangements whereby required payments into the Series 2019 Bonds Sinking Fund and the Series 2019 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 2019 Bonds Sinking Fund and the Series 2019 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2019 Bonds Sinking Fund, including the Series 2019 Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2019 Bonds under the conditions and restrictions set forth herein.

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

C. The Issuer 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 payments with respect to the Series 2019 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. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall also 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 DWTRF Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement for the Series 2019 Bonds.

D. 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.

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

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

H. 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 Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

I. All Tap Fees shall be deposited by the Issuer, as received, in the Revenue Fund and may be used for any lawful purpose 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 any or all of the Series 2019 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2019 Bonds, there shall first be deposited with the Commission in the Series 2019 Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2019 Bonds for the period commencing on the date of issuance of the Series 2019 Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2019 Bonds, there shall be deposited with the Commission in the Series 2019 Bonds Reserve Account the sum, if any, set forth in the Supplemental Resolution for funding of the Series 2019 Bonds Reserve Account.

C. Next, from the proceeds of the Series 2019 Bonds, there shall first be credited to the Series 2019 Bonds Construction Trust Fund and then paid, any and all borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, together with interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

D. As the Issuer receives advances of the remaining moneys derived from the sale of such Series 2019 Bonds, such moneys shall be deposited with the Depository Bank in the Series 2019 Bonds Construction Trust Fund. The monies in the Series 2019 Bonds Construction Trust Fund shall be applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 and until so transferred or expended, are hereby pledged as additional security for the Series 2019 Bonds.

E. After completion of construction of the Project, as certified by the Consulting Engineers, and all Costs have been paid, any remaining proceeds of the Series 2019 Bonds shall be expended as directed by the Authority and the BPH.

Section 6.02. Disbursements From the Construction 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 2019 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for costs of the Project from the proceeds of the Series 2019 Bonds shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2019 Bonds Construction Trust Fund shall be made only after submission to, and approval from the BPH of the following:

I. A completed and signed "Payment Requisition Form," the form of which is attached to the Loan Agreement, in compliance with the construction schedule; and

II. A certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

1. None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

2. 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;

3. Each of such costs has been otherwise properly incurred; and

4. Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the Series 2019 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of construction of the Project, as certified by the Consulting Engineers, and all costs of the Project have been paid, any remaining proceeds of the Series 2019 Bonds shall be expended as directed by the BPH.

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 2019 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 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 said Series 2019 Bonds or the interest, if any, thereon is Outstanding and unpaid. Further, all the covenants, agreements and provisions of the Prior Ordinance shall remain in full force and effect so long as any of the Prior Bonds remain Outstanding.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2019 Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory 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 2019 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2019 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues: Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2019 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 parity with the lien on said 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 2019 Bonds and to make the payments into the sinking funds, including the reserve accounts therein, and all other payments provided for in the Bond Legislation and the Prior Ordinance are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Series 2019 Bonds and the Prior Bonds as the same 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 Ordinance enacted by the Issuer on December 11, 2017 and made effective January 25, 2018, and are hereby ratified, and which rates are incorporated herein by reference as a part hereof.

So long as any of the Series 2019 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 2019 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 and 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 Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the Prior Ordinance. Additionally, so long as the Series 2019 Bonds are Outstanding and except as otherwise required by law or with the written consent of the BPH and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Series 2019 Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2002 Bonds Sinking Fund and the Series 2019 Bonds Sinking Fund, respectively, pro rata, with respect to the principal amount of each of the Prior Bonds and the Series 2019 Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2019 Bonds and Prior Bonds in such manner. Any balance remaining after the payment of all the Series 2019 Bonds and Prior Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$250,000, the Issuer 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 Renewal and Replacement 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 \$250,000 but not in excess of \$1,000,000, the Issuer 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 may then, if it be so advised, 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 shall be deposited in the Renewal and Replacement Fund. Such payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts 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 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 \$1,000,000 and insufficient to pay the Series 2019 Bonds and Prior Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Series 2019 Bonds and Prior Bonds then outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Series 2019 Bonds and Prior 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 in Section 7.07, so long as any of the Series 2019 Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2019 Bonds. All obligations issued by the Issuer after the issuance of the Series 2019 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2019 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Sinking Funds, Reserve Accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current. 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 2019 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2019 Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and BPH 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 any of the Prior Bonds are Outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance 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 2019 Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2019 Bonds, and must have the prior written consent of the Authority.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the design, construction or acquisition of extensions, improvements or betterments to the System, refunding all or a portion of the Prior Bonds, the Series 2019 Bonds issued pursuant hereto or one or more subsequent series of Parity Bonds, or to pay claims which may exist against the revenues or facilities of the System or all or any combination of such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues 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 Prior Bonds and Series 2019 Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance 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 (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the period for appeal of which has expired (without successful appeal) prior to the date of delivery of such Parity Bonds, whether or not such approved rates are being charged and collected by the Issuer, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accounts, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the said Independent Certified Public Accountants on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the period for appeal of which has 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 Series 2019 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 or separate ordinance authorized said parity Bonds required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2019 Bonds on such 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 conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2019 Bonds.

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 and the Prior Ordinance with respect to the Series 2019 Bonds and Prior 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 such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Notwithstanding the foregoing, or any provisions of Section 7.06 to the contrary, additional Parity Bonds may be issued solely for the purpose of completing the Project as described in the application to the BPH submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the BPH to the issuance of the Parity Bonds.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the costs of acquiring the Project site and acquiring, constructing and installing the 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 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 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 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 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 Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the 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 Authority and the BPH, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of 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 with respect to said Bonds and Prior Bonds and the status of all said funds and accounts.

C. The amount of any Bonds or other obligations 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 in compliance with 2 CRF 200 Subpart F or successor thereto and the laws of the State in effect at the time, to the extent 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 Bonds and shall submit said report to the Authority, the BPH or any other original purchaser of the Bonds. Such audit report submitted to the Authority and the BPH 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 Issuer's revenues are adequate to meet the Issuer's Operating Expenses and debt service 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 Issuer.

The Issuer shall permit the Authority and the BPH, or their 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 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 Authority and the BPH 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 or as promulgated from time to time.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been 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 said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance 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 2019 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2019 Bonds, including without limitation the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit, respectively, in the Series 2019 Bonds Reserve Account and reserve accounts for obligations on a parity with the Series 2019 Bonds, including without limitation the Prior 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 on the Series 2019 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2019 Bonds, including without limitation the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate schedule 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. The Issuer, with the approval of the Governing Body, may amend the budget during the subject Fiscal Year provided that the budget remains balanced after such amendment. If the budget is so amended, a copy of the amended budget shall be submitted to the Authority and the Council within 15 days of the adoption of such amendment. After the adoption of any such amendment, the budget, as amended, shall be the budget of the Issuer for the balance of the subject Fiscal Year. 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 shall mail copies of such annual budget, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the BPH and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets, any amendments thereto and resolutions be furnished him or her and shall make available such

budgets, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times 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 three years following the Closing Date, 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 and the BPH 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 and the BPH, the 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 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 and the BPH covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conform 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, the BPH 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 require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the BPH in writing of such receipt.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to the BPH when the Project is 90% completed.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System so long as the Series 2019 Bonds are Outstanding. The Issuer shall notify the BPH in writing of the certified operator employed at the 50% completion stage.

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 service 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 the Issuer 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 any of the Series 2019 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 said 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 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 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 Authority 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 100% of the 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 the Project in compliance with West Virginia Code Chapter 38, Article 2, Section 39.

(4) 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.

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

(6) FIDELITY BONDS, will be provided for 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 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 shall verify such bonds prior to commencement of construction. The Issuer shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the BPH. 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 interest may appear. The Issuer shall verify such insurance prior to commencement of construction.

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 and Operation of Project: Permits and Orders. The Issuer will 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 has obtained all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals required by State law 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 2019 Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Compliance With Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the BPH with all copies submitted to the Authority.

The Issuer also agrees to comply with the Act and all applicable laws, rules and regulations issued by the Authority, the BPH 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 7.19. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2019 Bonds or within thirty days thereafter, enter into written contracts for the immediate design, acquisition or construction of the 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 2019 Bonds held in "contingency" as set forth in the schedule attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the BPH before expending any proceeds of the Series 2019 Bonds made available due to bid or construction or 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 Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2019 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2019 Bonds and shall be for the equal benefit of all Holders of the Series 2019 Bonds; provided, however, that the statutory mortgage lien in favor of the Holders of the Series 2019 Bonds shall be on parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.21. Securities Laws Compliance. The Issuer will 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).

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation 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, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond 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 during which the respective banks hold any such funds, accounts or investments (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 2019 Bonds are Outstanding and the Issuer shall furnish to the Authority such information at the request of the Authority.

Section 8.02. Certificate 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 2019 Bonds as a condition of issuance of the Series 2019 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 2019 Bonds as may be necessary in order to maintain the status of the Series 2019 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 2019 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the BPH, as the case may be, from which the proceeds of the Series 2019 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such

action, as shall be deemed necessary by the Issuer, or requested by the Authority or the BPH, to ensure compliance with the covenants and agreements set forth in this Section 8.02, 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 2019 Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an “Event of Default” with respect to the Series 2019 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any of the Series 2019 Bond; 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 2019 Bonds, set forth in this Bond Legislation, any supplemental resolution or in the Series 2019 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 a default occurs under the Prior Bonds or the Prior Ordinance.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Holders of the Bonds, including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that all rights and remedies of the Holders of the Series 2019 Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Holder of a Bond, may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Holder of a Bond, shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System 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 Bonds and interest and the deposits into the funds

and accounts hereby established, and to apply such rates, rentals, fees, charges or other avenues 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 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 Holder 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 Holders of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds, and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2019 Bonds. If the Issuer shall pay or there shall otherwise be paid, to the respective Holders of all Series 2019 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 with respect to the Series 2019 Bonds only, the pledge of Net 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 2019 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 the issuance of the Series 2019 Bonds, this Ordinance may be amended or supplemented in any way by Supplemental Resolution. Following issuance of the Series 2019 Bonds, no material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Series 2019 Bonds shall be made without the consent in writing of the Holders of the Series 2019 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Series 2019 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of 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 that the Series 2019 Bonds remain public purpose bonds.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, or the Series 2019 Bonds.

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

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

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

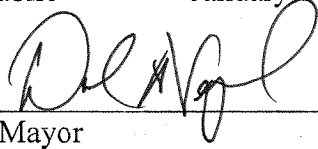
any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Time. This Ordinance shall take effect following public hearing hereon in accordance with the Act.

Section 11.08. Statutory Notice and Public Hearing. Upon enactment hereof, an abstract of this Ordinance, substantially in the form attached hereto as Exhibit C, which is determined by the Issuer 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 14 consecutive days, with at least 6 full days intervening between each publication, in a newspaper of general circulation in the City of Follansbee, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2019 Bonds, and that any person interested may appear before the Council upon a date certain, not less than 10 days subsequent to the date of the first publication of the said abstract and notice, and present protests, and that a certified copy of the Ordinance is on file in the office of the City Clerk for review by interested parties during the office hours of the City Clerk.

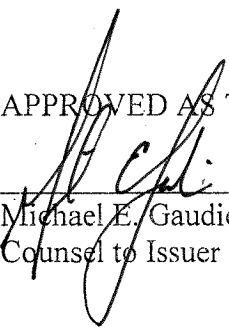
At such hearing, all objections and suggestions shall be heard and the Common Council shall take such action as it shall deem proper in the premises.

Passed on First Reading	November 19, 2018
Passed on Second Reading	December 10, 2018
Passed on Final Reading and effective following public hearing held on	January 14, 2019



Mayor

APPROVED AS TO FORM:



Michael E. Gaudio, Esquire
Counsel to Issuer

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the City of Follansbee on the 10th day of December, 2018, and put into effect following a public hearing held on January 14, 2019.

Dated: January 31, 2019.



City Clerk, City of Follansbee

[SEAL]

1081765

EXHIBIT A

DESCRIPTION OF PROJECT

The design, acquisition and construction of certain extensions, additions, betterments and improvements to the Issuer's existing waterworks system, including without limitation the refurbishment of existing filter pumps at the water plant, replacements of various valves in the gravity sand filters, SCADA system rehabilitation and cleaning and repair of various tanks, and the design and other preliminary expenses related to the upgrade of the Issuer's water treatment plants, refurbishment of all boosters and tanks and replacement of various water lines.

EXHIBIT B

SERIES 2019 BONDS LOAN AGREEMENT

EXHIBIT C

NOTICE OF PUBLIC HEARING

CITY OF FOLLANSBEE NOTICE OF PUBLIC HEARING ON WATER BOND ORDINANCE

A public hearing will be held on the following entitled Ordinance at a [regular] meeting of the Council of the City of Follansbee (the "City") to be held on _____, _____, 201_, at _____ m., in the Council Chambers at the Follansbee City Building, 872 Main Street, Follansbee, West Virginia, and at such hearing any person interested may appear before the Council and present protests and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE DESIGN, ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS SYSTEM OF THE CITY OF FOLLANSBEE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF FOLLANSBEE OF NOT MORE THAN ONE MILLION DOLLARS (\$1,000,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS SERIES 2019 (WEST VIRGINIA DWTRF PROGRAM), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA BUREAU FOR PUBLIC HEALTH RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was adopted by the Council of the City on _____, 2018.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bond issue contemplated thereby. The City contemplates the issuance of the Bonds described in said Ordinance. The proceeds of the Bonds will be used to finance of the costs of the design, acquisition and construction of certain improvements, additions, betterments and extensions to the waterworks system of the City. The Bonds are payable solely from revenues derived from the ownership and operation of the public waterworks system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file at the office of the City Clerk of the City of Follansbee for review by interested parties during regular office hours at the Follansbee City Building, 872 Main Street, Follansbee, West Virginia.

Following the said public hearing, the Council of the City of Follansbee intends to enact said Ordinance on final reading and to put said Ordinance into effect.

Dated: _____, 201_.

/s/ _____, City Clerk

**CITY OF FOLLANSBEE
WATER REVENUE BONDS,
SERIES 2019
(WEST VIRGINIA DWTRF PROGRAM)**

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, INTEREST RATE, DATE, MATURITY DATE, REDEMPTION PROVISIONS, PRINCIPAL AND INTEREST PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2019 (WEST VIRGINIA DWTRF PROGRAM) OF THE CITY OF FOLLANSBEE; AUTHORIZING, RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A BONDS REGISTRAR, DEPOSITORY BANK, AND PAYING AGENT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City Council (the “Governing Body”) of the City of Follansbee (the “Issuer”) has duly and officially enacted an Ordinance on December 10, 2018, and has put such Ordinance into effect following a public hearing held on the date hereof, January 14, 2019 (the “Ordinance”) entitled:

ORDINANCE AUTHORIZING THE DESIGN, ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS SYSTEM OF THE CITY OF FOLLANSBEE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF FOLLANSBEE OF NOT MORE THAN ONE MILLION DOLLARS (\$1,000,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2019 (WEST VIRGINIA DWTRF PROGRAM), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA BUREAU FOR PUBLIC HEALTH 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 meanings set forth in the Ordinance when used herein;

WHEREAS, the Ordinance provides for the issuance by the Issuer of not more than One Million Dollars (\$1,000,000.00) in aggregate principal amount of water revenue bonds in one series (the "Series 2019 Bonds"), to be designated "Water Revenue Bonds, Series 2019 (West Virginia DWTRF Program)" and has preliminarily authorized the execution and delivery of a Loan Agreement relating to the Series 2019 Bonds (the "Loan Agreement"), by and between the Issuer and West Virginia Water Development Authority (the "Authority") acting on behalf of the West Virginia Bureau for Public Health (the "BPH"), all in accordance with Chapter 8, Article 19 and Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (collectively, the "Act"); and in the Ordinance it is provided that the exact principal amount, date, maturity date, interest rate, interest and principal payment dates, redemption provisions, sale price and other terms of the Series 2019 Bonds should be established by a supplemental resolution pertaining to the Series 2019; and that other matters relating to the Series 2019 Bonds be herein provided for;

WHEREAS, the Series 2019 Bonds shall be on parity with respect to liens, pledges and sources of and security for payment with respect to each other and with respect to the Prior Bonds;

WHEREAS, the form of the Loan Agreement has been presented to the Issuer at this meeting for final ratification and approval;

WHEREAS, the Series 2019 Bonds are proposed to be purchased by the Authority acting on behalf of the BPH 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 finally ratified, approved and entered into by the Issuer, that the exact principal amount, interest rate, date, maturity date, redemption provisions, interest and principal payment dates, sale price and other terms of the Series 2019 Bonds be fixed hereby in the manner stated herein, that the Ordinance be amended as provided herein; and that other matters relating to the Series 2019 Bonds be herein provided for;

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

Section 1. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2019 (West Virginia DWTRF Program) of the Issuer, originally represented by a single bond, numbered R-1, in the principal amount of \$888,252.00. The Series

2019 Bonds shall be dated the date of delivery thereof, shall finally mature on December 1, 2039, shall bear at the rate of three percent (3%) per annum, payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2020, shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be registered owner of the Series 2019 Bonds, and shall be payable in quarterly installments of principal on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2020, 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 2019 Bonds. The Issuer does hereby approve and shall pay the DWTRF Administrative Fee equal to .25% of the principal amount of the Series 2019 Bonds, payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2020, as set forth in the Schedule Y attached to the Loan Agreement.

Section 2. All other provisions relating to the Series 2019 Bonds and the text of the Series 2019 Bonds shall be as provided in the Ordinance.

Section 3. The Issuer does hereby authorize, ratify, approve and accept the form of the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, City Manager and the City Clerk and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed. The price of the Series 2019 Bonds shall be 100% of par value, there being no interest accrued thereon. The proceeds of the Series 2019 Bonds shall be advanced from time to time as requisitioned by the Issuer, and at closing, there shall be requisitioned and advanced a portion of the proceeds of the Series 2019 Bonds in the amount of \$92,926.53, being more than a de minimis amount with respect to the Series 2019 Bonds. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the BPH.

Section 4. The Issuer does hereby appoint and designate United Bank, Charleston, West Virginia, to serve as Registrar for the Bonds (the "Registrar") 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 Series 2019 Bonds under the Ordinance.

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

Section 7. The Series 2019 Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2019 Bonds Sinking Fund as capitalized interest.

Section 8. The Series 2019 Bonds proceeds in the amount of \$-0- shall be deposited in a Series 2019 Bonds Reserve Account.

Section 9. The remaining proceeds of the Series 2019 Bonds shall be deposited in the Series 2019 Bonds Construction Trust Fund as received from time to time for payment of Costs of the Project, and payment of cost of issuance of the Series 2019 Bonds and the reimbursement of the Issuer of any such Costs paid by the Issuer.

Section 10. The Mayor, City Manager and City Clerk are hereby authorized and directed to execute and deliver the Series 2019 Bonds and such other documents, agreements, instruments and certificates required or desirable in connection with the Series 2019 Bonds hereby and by the Ordinance approved and provided for, and to affix thereon the seal of the Issuer, as appropriate, to the end that the Series 2019 Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about January 31, 2019, or as soon thereafter as practicable.

Section 11. The design, acquisition, construction and equipping of the Project and the financing thereof with the proceeds of the Series 2019 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 Governing Body hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Ordinance held by the Depository Bank in time deposits of the Depository Bank, secured by a pledge of Government Obligations, and therefore the Issuer hereby authorizes and directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such time deposits until further directed by the Issuer. Monies in the Sinking Fund and Reserve Account for the Series 2019 Bonds shall be invested by the Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. All contracts relating to the financing, design, acquisition and construction of the Project are hereby approved and the Mayor is hereby authorized and directed to execute and deliver all such contracts.

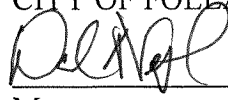
Section 14. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

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 Series 2019 Bonds. The Issuer also hereby approves the reimbursement of the Issuer from the proceeds of the Series 2019 Bonds for any such invoices or bills for the Project previously paid by the Issuer.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 14th day of January, 2019.

CITY OF FOLLANSBEE

A handwritten signature in black ink, appearing to read "D. J. [unclear]", is written over a horizontal line.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Follansbee on the 14th day of January, 2019.

Dated: January 31, 2019.

[SEAL]



City Clerk

DWTRF
(02/16)

LOAN AGREEMENT

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 FOLLANSBEE
(2018W-1756 / 18DWTRFA014A)
(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 to be administered and managed by the Authority under the direction of the BPH;

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 the Safe Drinking Water Act and the Act;

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

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

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

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

1.9 “Program” means the drinking water facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Safe Drinking Water Act and administered by BPH.

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

1.11 “DWTRF Regulations” means the regulations set forth in the West Virginia Code of State Regulations.

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, construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Local 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.

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. Until the Project facilities are completed and accepted by the Local Entity, the Local Entity or (at the option of the Local Entity) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Entity, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Entity on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Entity must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local 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 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, BPH and the Local Entity at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Entity shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Local Entity shall notify BPH in writing of such receipt.

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. If the Local Entity is a newly established water system, the Local Entity must employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The newly established Local Entity shall notify BPH in writing of the certified operator employed at the 50% completion stage.

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 construction 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

(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 construction 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 (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and 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 construction and acquisition 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) The Local Entity shall have obtained 100% of the titles, easements and rights-of-way, or shall have received rights-of-entry or recorded binding options for the same and the Authority and BPH shall receive an opinion of counsel to the Local Entity, satisfactory to the Authority and BPH, to such effect.

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

(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) 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. 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) 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) 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

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 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

(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 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 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. The Local Entity shall make monthly payments to the Commission by electronic transfer;

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

(xix) That the Local Entity shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and BPH, the Project is adequate for the purposes for which it was designed, the funding plan as

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

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.

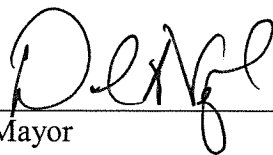
7.6 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Local Entity specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.7 This Loan Agreement shall terminate upon the earlier of:

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 FOLLANSBEE

(SEAL)

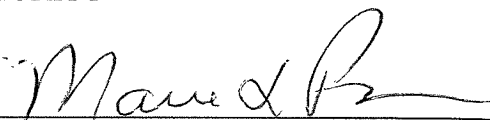
By: 
Its: Mayor
Date: January 31, 2019

Attest:

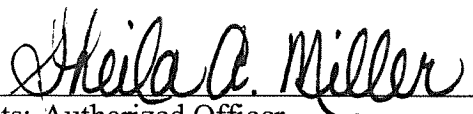

Its: City Clerk

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

By: 
Its: Executive Director
Date: January 31, 2019

Attest:


Its: Authorized Officer

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.	

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

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

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

[SEAL]

By:

West Virginia License No. _____

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

EXHIBIT C-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 E

OPINION OF BOND 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 bond 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.

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	\$888,252
Purchase Price of Local Bonds	\$888,252

The Local Bonds shall bear interest at a rate of 3% per annum. Commencing March 1, 2020, principal of and interest on the Local Bonds is payable quarterly, with an administrative fee of 0.25%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Entity shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local 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 Local Bonds are fully registered in the name of the Authority as to principal and interest, if any, and the Local Bonds shall grant the Authority a first lien on the 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. 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.

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

- (i) Water Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 16, 2002, issued in the original aggregate principal amount of \$7,790,000.

Number of New Customers To Be Served: -0-
Location: City of Follansbee, Brooke County

Net Debt Service City of Follansbee DWTRF \$888,252 3.00% Interest Rate 0.25% Administrative Fee 20 Years							
Date	Principal	Interest	Total Debt Service	Reserve Fund	Admin Fee	Net Debt Service	
9/1/2031	11,484	3,321.56	14,805.56		308.54	15,114.10	
12/1/2031	11,570	3,235.43	14,805.43		308.54	15,113.97	
3/1/2032	11,657	3,148.65	14,805.65		308.54	15,114.19	
6/1/2032	11,744	3,061.22	14,805.22		308.54	15,113.76	
9/1/2032	11,832	2,973.14	14,805.14		308.54	15,113.68	
12/1/2032	11,921	2,884.40	14,805.40		308.54	15,113.94	
3/1/2033	12,011	2,795.00	14,806.00		308.54	15,114.54	
6/1/2033	12,101	2,704.91	14,805.91		308.54	15,114.45	
9/1/2033	12,191	2,614.16	14,805.16		308.54	15,113.70	
12/1/2033	12,283	2,522.72	14,805.72		308.54	15,114.26	
3/1/2034	12,375	2,430.60	14,805.60		308.54	15,114.14	
6/1/2034	12,468	2,337.79	14,805.79		308.54	15,114.33	
9/1/2034	12,561	2,244.28	14,805.28		308.54	15,113.82	
12/1/2034	12,656	2,150.07	14,806.07		308.54	15,114.61	
3/1/2035	12,750	2,055.15	14,805.15		308.54	15,113.69	
6/1/2035	12,846	1,959.53	14,805.53		308.54	15,114.07	
9/1/2035	12,942	1,863.18	14,805.18		308.54	15,113.72	
12/1/2035	13,039	1,766.12	14,805.12		308.54	15,113.66	
3/1/2036	13,137	1,668.32	14,805.32		308.54	15,113.86	
6/1/2036	13,236	1,569.80	14,805.80		308.54	15,114.34	
9/1/2036	13,335	1,470.53	14,805.53		308.54	15,114.07	
12/1/2036	13,435	1,370.51	14,805.51		308.54	15,114.05	
3/1/2037	13,536	1,269.75	14,805.75		308.54	15,114.29	
6/1/2037	13,637	1,168.23	14,805.23		308.54	15,113.77	
9/1/2037	13,740	1,065.95	14,805.95		308.54	15,114.49	
12/1/2037	13,843	962.90	14,805.90		308.54	15,114.44	
3/1/2038	13,946	859.08	14,805.08		308.54	15,113.62	
6/1/2038	14,051	754.49	14,805.49		308.54	15,114.03	
9/1/2038	14,156	649.10	14,805.10		308.54	15,113.64	
12/1/2038	14,263	542.93	14,805.93		308.54	15,114.47	
3/1/2039	14,370	435.96	14,805.96		308.54	15,114.50	
6/1/2039	14,477	328.19	14,805.19		308.54	15,113.73	
9/1/2039	14,586	219.61	14,805.61		308.54	15,114.15	
12/1/2039	14,695	110.21	14,805.21		308.54	15,113.75	
	888,252	296,193.36	1,184,445.36	59,222.98	24,683.20	1,268,351.54	
Notes: 1. \$5,531.74 from 12/01/2019 through 11/01/2029 (based on maximum quarterly payment of \$ rounded up to the nearest cent) 2. \$5,038.21 from 12/01/2029 through 11/01/2039 (based on maximum quarterly payment of \$ rounded up to the nearest cent) 3. Reserve Fund equal to \$59,222.98 (maximum annual debt service) funded up over 10 years. 4. Admin Fee calculated based on percent of bond value computed quarterly paid in equal quar rounded up to the nearest cent.							
Jan 11, 2019 10:33 am							(WDA:LOANS-FOLL119) 2

**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF FOLLANSBEE
WATER REVENUE BOND,
SERIES 2019
(WEST VIRGINIA DWTRF PROGRAM)**

No. R-1

\$888,252.00

KNOW ALL MEN BY THESE PRESENTS: That CITY OF FOLLANSBEE, a municipal corporation and political subdivision of the State of West Virginia in Brooke 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 EIGHT HUNDRED EIGHTY-EIGHT THOUSAND TWO HUNDRED FIFTY-TWO DOLLARS (\$888,252.00), 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 of principal on March 1, June 1, September 1 and December 1 of each year, commencing on March 1, 2020, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference, with interest on each installment of the rate of three percent (3.0%) per annum as set forth on said Exhibit B.

The interest and the DWTRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2020, 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 and DWTRF Administrative Fee on this Bond are 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 Registrar (as defined in the hereinafter described Bond Legislation) on the 15th day of the month next preceding an interest and DWTRF Administrative Fee 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 only be redeemed prior to its stated date of maturity in whole or in part but only with the express written consent of the Authority and the West Virginia Bureau for Public Health ("BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Drinking Water Treatment Revolving Fund Loan Agreement between the Issuer and the Authority, acting on behalf of the BPH, dated January 31, 2019.

This Bond is issued (i) to permanently finance a portion of the costs of the design, acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public waterworks system of the Issuer, the Project and any further 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), and an Ordinance duly enacted by the Issuer on December 10, 2018 and a Supplemental Resolution duly adopted by the Issuer on January 14, 2019 (collectively called 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 securities provided for the Bonds of this Series (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 WATER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE ISSUER, DATED AUGUST 16, 2002, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$7,790,000 (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 System, on a parity with the pledge of the 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 2019 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, 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 moneys in the Series 2019 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 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 2019 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 on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to the payment of the Costs of the Project 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 in 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 Net 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 this Bond.

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

IN WITNESS WHEREOF, the CITY OF FOLLANSBEE 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 January 31, 2019.

[SEAL]

CITY OF FOLLANSBEE

Mayor

City Manager

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2019 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: January 31, 2019.

UNITED BANK,
as Registrar

By Thomas Provenza
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	<u>Amount</u>	<u>Date</u>		<u>Amount</u>	<u>Date</u>
(1)	\$92,927.00	January 31, 2019	(7)	\$	
(2)	\$		(8)	\$	
(3)	\$		(9)	\$	
(4)	\$		(10)	\$	
(5)	\$		(11)	\$	
(6)	\$		(12)	\$	

Total \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

Net Debt Service
City of Follansbee
DWTRF
\$888,252
3.00% Interest Rate
0.25% Administrative Fee

20 Years						
Date	Principal	Interest	Total Debt Service	Reserve Fund	Admin Fee	Net Debt Service
3/1/2020	8,144	6,661.89	14,805.89	1,480.58	308.54	16,595.01
6/1/2020	8,205	6,600.81	14,805.81	1,480.58	308.54	16,594.93
9/1/2020	8,266	6,539.27	14,805.27	1,480.58	308.54	16,594.39
12/1/2020	8,328	6,477.28	14,805.28	1,480.58	308.54	16,594.40
3/1/2021	8,391	6,414.82	14,805.82	1,480.58	308.54	16,594.94
6/1/2021	8,454	6,351.89	14,805.89	1,480.58	308.54	16,595.01
9/1/2021	8,517	6,288.48	14,805.48	1,480.58	308.54	16,594.60
12/1/2021	8,581	6,224.60	14,805.60	1,480.58	308.54	16,594.72
3/1/2022	8,645	6,160.25	14,805.25	1,480.58	308.54	16,594.37
6/1/2022	8,710	6,095.41	14,805.41	1,480.58	308.54	16,594.53
9/1/2022	8,776	6,030.08	14,806.08	1,480.58	308.54	16,595.20
12/1/2022	8,841	5,964.26	14,805.26	1,480.58	308.54	16,594.38
3/1/2023	8,908	5,897.96	14,805.96	1,480.58	308.54	16,595.08
6/1/2023	8,974	5,831.15	14,805.15	1,480.58	308.54	16,594.27
9/1/2023	9,042	5,763.84	14,805.84	1,480.58	308.54	16,594.96
12/1/2023	9,110	5,696.03	14,806.03	1,480.58	308.54	16,595.15
3/1/2024	9,178	5,627.70	14,805.70	1,480.58	308.54	16,594.82
6/1/2024	9,247	5,558.37	14,805.87	1,480.58	308.54	16,594.99
9/1/2024	9,316	5,489.51	14,805.51	1,480.57	308.54	16,594.62
12/1/2024	9,386	5,419.64	14,805.64	1,480.57	308.54	16,594.75
3/1/2025	9,456	5,349.25	14,805.25	1,480.57	308.54	16,594.36
6/1/2025	9,527	5,278.33	14,805.33	1,480.57	308.54	16,594.44
9/1/2025	9,599	5,206.88	14,805.88	1,480.57	308.54	16,594.99
12/1/2025	9,671	5,134.88	14,805.88	1,480.57	308.54	16,594.99
3/1/2026	9,743	5,062.35	14,805.35	1,480.57	308.54	16,594.46
6/1/2026	9,816	4,989.28	14,805.28	1,480.57	308.54	16,594.39
9/1/2026	9,890	4,915.66	14,805.66	1,480.57	308.54	16,594.77
12/1/2026	9,964	4,841.48	14,805.48	1,480.57	308.54	16,594.59
3/1/2027	10,039	4,766.75	14,805.75	1,480.57	308.54	16,594.86
6/1/2027	10,114	4,691.46	14,805.46	1,480.57	308.54	16,594.57
9/1/2027	10,190	4,615.61	14,805.61	1,480.57	308.54	16,594.72
12/1/2027	10,266	4,539.18	14,805.18	1,480.57	308.54	16,594.29
3/1/2028	10,343	4,462.19	14,805.19	1,480.57	308.54	16,594.30
6/1/2028	10,421	4,384.61	14,805.61	1,480.57	308.54	16,594.72
9/1/2028	10,499	4,306.46	14,805.46	1,480.57	308.54	16,594.57
12/1/2028	10,578	4,227.71	14,805.71	1,480.57	308.54	16,594.82
3/1/2029	10,657	4,148.38	14,805.38	1,480.57	308.54	16,594.49
6/1/2029	10,737	4,068.45	14,805.45	1,480.57	308.54	16,594.56
9/1/2029	10,818	3,987.92	14,805.92	1,480.57	308.54	16,595.03
12/1/2029	10,899	3,906.79	14,805.79	1,480.57	308.54	16,594.90
3/1/2030	10,981	3,825.05	14,806.05		308.54	15,114.59
6/1/2030	11,063	3,742.69	14,805.69		308.54	15,114.23
9/1/2030	11,146	3,659.72	14,805.72		308.54	15,114.26
12/1/2030	11,229	3,576.12	14,805.12		308.54	15,113.66
3/1/2031	11,314	3,491.90	14,805.90		308.54	15,114.44
6/1/2031	11,399	3,407.05	14,806.05		308.54	15,114.59

Jan 11, 2019 10:33 am

(WDA:LOANS-FOLL119) 2

Net Debt Service
City of Follansbee
DWTRF
\$888,252
3.00% Interest Rate
0.25% Administrative Fee
20 Years

Date	Principal	Interest	Total Debt Service	Reserve Fund	Admin Fee	Net Debt Service
9/1/2031	11,484	3,321.56	14,805.56		308.54	15,114.10
12/1/2031	11,570	3,235.43	14,805.43		308.54	15,113.97
3/1/2032	11,657	3,148.65	14,805.65		308.54	15,114.19
6/1/2032	11,744	3,061.22	14,805.22		308.54	15,113.76
9/1/2032	11,832	2,973.14	14,805.14		308.54	15,113.68
12/1/2032	11,921	2,884.40	14,805.40		308.54	15,113.94
3/1/2033	12,011	2,795.00	14,806.00		308.54	15,114.54
6/1/2033	12,101	2,704.91	14,805.91		308.54	15,114.45
9/1/2033	12,191	2,614.16	14,805.16		308.54	15,113.70
12/1/2033	12,283	2,522.72	14,805.72		308.54	15,114.26
3/1/2034	12,375	2,430.60	14,805.60		308.54	15,114.14
6/1/2034	12,468	2,337.79	14,805.79		308.54	15,114.33
9/1/2034	12,561	2,244.28	14,805.28		308.54	15,113.82
12/1/2034	12,656	2,150.07	14,806.07		308.54	15,114.61
3/1/2035	12,750	2,055.15	14,805.15		308.54	15,113.69
6/1/2035	12,846	1,959.53	14,805.53		308.54	15,114.07
9/1/2035	12,942	1,863.18	14,805.18		308.54	15,113.72
12/1/2035	13,039	1,766.12	14,805.12		308.54	15,113.66
3/1/2036	13,137	1,668.32	14,805.32		308.54	15,113.86
6/1/2036	13,236	1,569.80	14,805.80		308.54	15,114.34
9/1/2036	13,335	1,470.53	14,805.53		308.54	15,114.07
12/1/2036	13,435	1,370.51	14,805.51		308.54	15,114.05
3/1/2037	13,536	1,269.75	14,805.75		308.54	15,114.29
6/1/2037	13,637	1,168.23	14,805.23		308.54	15,113.77
9/1/2037	13,740	1,065.95	14,805.95		308.54	15,114.49
12/1/2037	13,843	962.90	14,805.90		308.54	15,114.44
3/1/2038	13,946	859.06	14,805.08		308.54	15,113.62
6/1/2038	14,051	754.49	14,805.49		308.54	15,114.03
9/1/2038	14,156	649.10	14,805.10		308.54	15,113.64
12/1/2038	14,263	542.93	14,805.93		308.54	15,114.47
3/1/2039	14,370	435.96	14,805.96		308.54	15,114.50
6/1/2039	14,477	328.19	14,805.19		308.54	15,113.73
9/1/2039	14,586	219.61	14,805.61		308.54	15,114.15
12/1/2039	14,695	110.21	14,805.21		308.54	15,113.75
	888,252	296,193.36	1,184,445.36	59,222.98	24,683.20	1,268,351.54

Notes:

- \$5,531.74 from 12/01/2019 through 11/01/2029 (based on maximum quarterly payment of \$16,595 rounded up to the nearest cent)
- \$5,038.21 from 12/01/2029 through 11/01/2039 (based on maximum quarterly payment of \$15,114 rounded up to the nearest cent)
- Reserve Fund equal to \$59,222.98 (maximum annual debt service) funded up over 10 years.
- Admin Fee calculated based on percent of bond value computed quarterly paid in equal quarterly p rounded up to the nearest cent.

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:

Date of Report: January 31, 2019

ISSUE: City of Follansbee Water Revenue Bonds, Series 2019 (West Virginia DWTRF Program)

ADDRESS: 872 Main Street, Follansbee, West Virginia 26037 COUNTY: Brooke

PURPOSE OF ISSUE: ☒ New Money
☐ Refunding

Refunding issue(s) dated: _____

ISSUE DATE: January 31, 2019 RATE: 3% ADMIN FEE: 0.25%

ISSUE AMOUNT: \$888,252.00

1st DEBT SERVICE DUE: March 1, 2020 1st PRINCIPAL DUE: March 1, 2020

1st DEBT SERVICE AMOUNT: \$14,805.89 - \$16,595.01 with
Reserve Fund and Admin Fee. PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Bowles Rice LLP UNDERWRITERS COUNSEL: Jackson Kelly PLLC

Contact Name: Camden P. Siegrist Contact Name: Samme L. Gee

Phone: (304) 347-1129 Phone: (304) 340-1318

Email: csiegrist@bowlesrice.com Email: sgee@jacksonkelly.com

CLOSING BANK: WesBanco Bank, Inc. ESCROW TRUSTEE: _____

Contact Name: Jeffrey J. Young Contact Name: _____

Phone: (304) 905-7208 Phone: _____

Email: jyoung@wesbanco.com Email: _____

KNOWLEDGEABLE ISSUER CONTACT: OTHER: West Virginia Water Dev Authority

Contact Name: John DeStefano, Jr. Contact Name: Sheila Miller

Title: City Manager Title: _____

Phone: (304) 527-1330 Phone: (304) 414-6500

Email: follansbeecitymgr@comcast.net Email: smiller@wvwda.org

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: _____