

CITY OF FOLLANSBEE

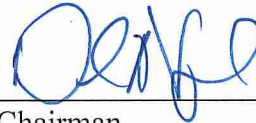
Sewer Revenue Bonds, Series 2022

PETITION OF SANITARY BOARD

The Sanitary Board of the City of Follansbee (the "City") hereby petitions the Council of the City to enact an ordinance directing that sewer revenue bonds of the City be issued pursuant to the provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended, such bonds to be in an amount not to exceed \$2,800,000 for the purposes of financing costs of the design, acquisition, construction and equipping of additions, betterments and improvements to the existing public sewage system of the City, including without limitation improvements to the sewage collection system (including the separation of the sewage collection system from the stormwater collection system) and improvements to the sewage treatment plant and related facilities and related facilities; refunding the City's Construction Anticipation Note, Series 2020 A (West Virginia Water Development Authority), issued on February 5, 2020, in the maximum principal amount of \$500,000; and paying costs of issuance and related costs.

Directed this 1st day of August 2022.

SANITARY BOARD OF
THE CITY OF FOLLANSBEE



Chairman

CITY OF FOLLANSBEE
SEWER REVENUE BONDS,
SERIES 2022

BOND ORDINANCE

TABLE OF CONTENTS

	<u>Page</u>
BOND ORDINANCE.....	1
ARTICLE I - STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS.....	2
Section 1.01 Authority for this Ordinance.	2
Section 1.02 Findings.....	2
Section 1.03 Bond Legislation Constitutes Contract.....	4
Section 1.04 Definitions.	4
ARTICLE II - AUTHORIZATION OF DESIGN, ACQUISITION, CONSTRUCTION AND EQUIPPING OF PROJECT	11
Section 2.01 Authorization of the Design, Acquisition, Construction and Equipping of the Project.	11
ARTICLE III - AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF SERIES 2022 BONDS	12
Section 3.01 Authorization of Series 2022 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 of the Issuer.....	14
Section 3.08 Bonds Secured by Pledge of Net Revenues Respect to Prior Bonds.....	14
Section 3.09 Delivery of Bonds.....	15
Section 3.10 Form of Series 2022 Bonds.....	15
Section 3.11 Sale of Series Bonds..	25
Section 3.12 Designation of Bonds as “Qualified Tax-Exempt Obligations”	25
ARTICLE IV - [RESERVED].....	26
ARTICLE V - FUNDS AND ACCOUNTS, SYSTEM REVENUES AND APPLICATION THEREOF	27
Section 5.01 Establishment or Continuance of Funds and Accounts with Depository Bank.	27
Section 5.02 Establishment of Funds and Accounts with Commission.....	27
Section 5.03 System Revenues; Flow of Funds.....	27

ARTICLE VI - APPLICATION OF BOND PROCEEDS; CONSTRUCTION	
DISBURSEMENTS.....	31
Section 6.01 Application of Bond Proceeds.	31
ARTICLE VII ADDITIONAL COVENANTS OF THE ISSUER	32
Section 7.01 General Covenants of the Issuer.	32
Section 7.02 Series 2022 Bonds not to be Indebtedness of the Issuer.....	32
Section 7.03 Series 2022 Bonds Secured by Pledge of Net Revenues	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.....	37
Section 7.11 Engineering Services and Operating Personnel.....	38
Section 7.12 No Competing Franchise.	38
Section 7.13 Enforcement of Collections..	38
Section 7.14 No Free Services.....	38
Section 7.15 Insurance and Construction Bonds.	39
Section 7.16 Mandatory Connections.....	40
Section 7.17 Completion of Project and Operation of System; Permits and Orders.	40
Section 7.18 Compliance With Law.	40
Section 7.19 Tax Covenants.	41
ARTICLE VIII - INVESTMENT OF FUNDS.....	42
Section 8.01 Investments.	42
Section 8.02 Arbitrage.	42
Section 8.03 Tax Certificate and Rebate.....	42
ARTICLE IX - DEFAULT AND REMEDIES	46
Section 9.01 Events of Default.	46
Section 9.02 Remedies.....	46
Section 9.03 Appointment of Receiver.....	46
Section 9.04 Restoration of Issuer and Bondholder.....	47
ARTICLE X - PAYMENT OF BONDS	48
Section 10.01 Payment of Series 2022 Bonds.	48
ARTICLE XI - MISCELLANEOUS.....	49
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 Statutory Notice and Public Hearing..	50
Section 11.08 Effective Date.	50

**CITY OF FOLLANSBEE
SEWER REVENUE BONDS,
SERIES 2022**

BOND ORDINANCE

ORDINANCE AUTHORIZING THE REFUNDING OF THE CITY OF FOLLANSBEE CONSTRUCTION ANTICIPATION NOTE, SERIES 2020 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) AND THE DESIGN, ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWAGE FACILITIES 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 TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$2,800,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF FOLLANSBEE SEWER REVENUE BONDS TO BE DESIGNATED "SEWER REVENUE BONDS, SERIES 2022"; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ENACTED AND 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 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act") and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public sewage system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be designed, acquired, constructed and equipped certain additions, betterments and improvements to the Issuer's existing sewage system, including the additions, betterments and improvements described in Exhibit A hereto (collectively, the "Project") (the Issuer's existing sewage 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 maximum cost of the Project and issuance of the Series 2022 Bonds, as hereinafter defined, is \$9,269,865. The Issuer has been awarded a Congressionally Directed Spending Community Project Funding Grant (the "Grant") in the amount of \$10,269,000, which Grant requires that the Issuer contribute 20 percent of the Costs of the Project. In order to provide for such contribution in the amount 20% of the Costs of the Project and to pay anticipated significant increases in the Costs of the Project, the Issuer has found it to be necessary to authorize the issuance of the Issuer's Sewer Revenue Bonds, Series 2022 (the "Series 2022 Bonds") in an aggregate principal amount not to exceed \$2,800,000.

D. The estimated revenues to be derived in each year after the 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, if any, on the Series 2022 Bonds, and all sinking funds, reserve accounts and other payments provided for herein, as such terms are hereinafter defined.

E. It is further deemed necessary for the Issuer to issue the Series 2022 Bonds, in the total aggregate principal amount of not more than \$2,800,000, to permanently finance costs of the design, acquisition, construction and equipping of the Project and related costs. Said costs shall be deemed to include all costs of the design, acquisition, construction and equipping of the Project; all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2022 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 2022 Bonds Reserve Account, as hereinafter defined; engineering, accounting and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Purchaser (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 2022 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the design acquisition, construction and equipping 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 2022 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

F. The period of usefulness of the System after completion of the Project is not less than 3 years.

G. It is in the best interest of the Issuer that its Series 2022 Bonds be issued and sold to WesBanco Bank, Inc. pursuant to its Term Sheet dated July 13, 2022, or to such other purchaser designated in a Supplemental Resolution or a Certificate of Determinations (the "Purchaser").

H. There are no outstanding obligations of the Issuer which will rank on parity with the Series 2022 Bonds as to liens, pledges, sources of and security for payment.

I. The Issuer does have outstanding its Construction Anticipation Note, Series 2020 A (West Virginia Water Development Authority), that was issued on February 5, 2020, in the maximum principal amount of \$500,000 (the "CAN") payable from the proceeds of the next series of bonds issued by the Issuer for grants for the Project. The CAN will be paid off with proceeds of the Series 2022 Bonds at the time of the closing of the issuance of the Series 2022 Bonds.

J. The Issuer has complied with all requirements of West Virginia law relating to the authorization of the design, acquisition, construction, equipping and operation of the Project and the System, and issuance of the Series 2022 Bonds or will have so complied prior to issuance of any thereof, including, among other things, 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 2022 Bonds or has been waived by all necessary parties.

K. The Sanitary Board of the Issuer has presented a petition to the Issuer for enactment of this Bond Legislation.

Section 1.03 Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2022 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 of 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 Chapter 16, Article 13 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, which is the Registered Owner of the CAN, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority.

“Authorized Officer” means the Mayor or City Manager of the Issuer or any other officer of the Issuer specifically designated by resolution of the Council of the Issuer duly appointed as such by the Governing Body.

“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.

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

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

“Bonds” means the Series 2022 Bonds and, where appropriate, any Bonds on a parity therewith authorized to be issued hereunder or by another ordinance of the Issuer.

“CAN” means the Issuer’s Construction Anticipation Note, Series 2020 A (West Virginia Water Development Authority), that was issued on February 5, 2020 in the maximum principal amount of \$500,000.

“Certificate of Authentication and Registration” means the certificate of authentication and registration on the Series 2022 Bonds in substantially the form set forth in the bond form contained herein.

“Certificate of Determinations” means a Certificate of Determinations executed by an Authorized Officer with respect to the Series 2022 Bonds.

“City Clerk” means the City Clerk, Recorder or other municipal officer, by whatever name called, charged with the responsibility of keeping the journal of the proceedings of the Governing Body and other municipal records 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 2022 Bonds for an advance of more than a de minimis amount of the principal of the Series 2022 Bonds from the Bondholder.

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

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

“Costs” or “Costs of the Project” means those costs described in Section 1.02 E hereof to be a part of the cost of the design, acquisition, construction and equipping of the Project, including without limitation, costs associated with the issuance of the Series 2022 Bonds.

“Council” means the West Virginia Infrastructure and Jobs Development Council or any other agency, board or department of the State that succeeds to the functions of the Council.

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

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

“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, including without limitation (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

“Grant” means the Congressionally Directed Spending Community Project Funding Grant awarded to the Issuer for the Project in the amount of \$10,269,000.

“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 and political subdivision of the State, in Brooke County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer, the Sanitary Board and any other commission, board or department established by the Issuer to operate and maintain the System.

“Mayor” means the Mayor of the Issuer.

“Net Proceeds” means the face amount of the Series 2022 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 2022 Bonds Reserve Account, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2022 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

“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 West Virginia Municipal Bond Commission, or such entity or authority as may be designated by the Issuer with the consent of the Bondholder.

“Private Business Use” means use directly or indirectly in a trade or business carried on by a natural person, including all persons “related” to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons “related” to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of

the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"PSC" means the Public Service Commission of West Virginia and any successors to the functions thereof.

"Purchaser" means WesBanco Bank, Inc. or such other purchaser of the Series 2022 Bonds designated in the Supplemental Resolution or a Certificate of Determinations.

"Qualified Investments" means and includes any of the following:

A. Government Obligations;

B. 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;

C. 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;

D. Time or 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;

E. Money market funds or similar funds whose only assets are investments of the type described in paragraphs (A) through (D) above;

F. Repurchase agreements, fully secured by investments of the types described in paragraphs (A) through (D) 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;

G. 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

H. 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 the 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.

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

“Sanitary Board” means the Sanitary Board of the Issuer heretofore established by an ordinance duly enacted by the Issuer and any successor to the functions thereof.

“Series 2022 Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2022, to be issued in an aggregate principal amount not to exceed \$2,800,000 authorized by this Ordinance.

“Series 2022 Bonds Reserve Account” means the Series 2022 Bonds Reserve Account created by Section 5.02 hereof.

“Series 2022 Bonds Reserve Requirement” means an amount equal to the least of (i) 10% of the original principal amount of the Series 2022 Bonds, (ii) maximum annual debt service at the time of original issuance of the Series 2022 Bonds, or (iii) 125% of average annual debt service at the time of original issuance of the Series 2022 Bonds,

or such other amount as may be provided in the Supplemental Resolution or a Certificate of Determinations.

“Series 2022 Bonds Sinking Fund” means the Series 2022 Bonds Sinking Fund created 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 2022 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2022 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(C) hereof.

“System” means the complete public sewage system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for said system from any sources whatsoever.

“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 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 Ordinance.

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, CONSTRUCTION AND EQUIPPING OF THE PROJECT

Section 2.01 Authorization of the Design, Acquisition, Construction and Equipping of the Project. There is hereby authorized and ordered the design, acquisition, construction and equipping of the Project, in accordance with the plans and specifications which have been prepared by or will be prepared by the Consulting Engineers and heretofore filed or to be filed in the office of the Governing Body. The foregoing Costs of the Project, including without limitation, costs associated with the issuance of the Series 2022 Bonds, shall be paid with proceeds of the Grant and the Series 2022 Bonds, as further provided in Section 1.02.C above. The proceeds of the Series 2022 Bonds hereby authorized shall be applied as provided in Article VI hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF SERIES 2022 BONDS

Section 3.01 Authorization of Series 2022 Bonds. For the purposes of capitalizing interest on the Series 2022 Bonds, funding a reserve account for the Series 2022 Bonds, paying Costs of the Project not otherwise provided for, and paying certain costs of issuance of the Series 2022 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution or Certificate of Determinations, there shall be and hereby are authorized to be issued negotiable Series 2022 Bonds of the Issuer, in an aggregate principal amount of not more than \$2,800,000. The Series 2022 Bonds shall be issued in one series to be designated "Sewer Revenue Bonds, Series 2022," in the aggregate principal amount of not more than \$2,800,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution or Certificate of Determinations. The proceeds of the Series 2022 Bonds remaining after the funding of the Series 2022 Bonds Reserve Account (if funded from the Bond proceeds) and capitalization of interest, if any, shall be applied as set forth in Article VI hereof.

Section 3.02 Terms of Bonds. The Series 2022 Bonds shall be issued in such principal amount not to exceed \$2,800,000; shall bear interest not to exceed three and eighty-five one hundredths percent (3.85%) per annum at such rate or rates, payable on such dates; shall mature on such dates no later than September 1, 2037, and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or Certificate of Determinations. Unless otherwise provided herein, in the Supplemental Resolution or a Certificate of Determinations, the Series 2022 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 on the Series 2022 Bonds, if any, shall be paid by check or draft of the Issuer or 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 agreeable to the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution or a Certificate of Determinations, the Series 2022 Bonds shall be issued in the form of a single bond, fully registered to the Purchaser, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2022 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution or Certificate of Determinations. The Series 2022 Bonds shall be exchangeable at the option and expense of the Holder for other fully registered 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.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution or by a separate bond ordinance. The Bonds shall be dated as of the date specified in a Supplemental Resolution or separate bond ordinance and shall bear interest, if any, as provided in such Supplemental Resolution or separate bond ordinance.

Section 3.03 Execution of Bonds. The Series 2022 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 2022 Bonds shall cease to be such officer of the Issuer before the Series 2022 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 2022 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. The Bond Registrar for the Series 2022 Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution or Certificate of Determinations and its successors and assigns. No Series 2022 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 Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2022 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 2022 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 Series 2022 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bond shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2022 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 Series 2022 Bonds.

The registered Series 2022 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 2022 Bonds or transferring the registered Series 2022 Bonds are exercised, Series 2022 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2022 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2022 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 Holder requesting the exchange or transaction. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2022 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2022 Bonds or, in the case of any proposed redemption of Series 2022 Bonds, next preceding the date of the selection of Series 2022 Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2022 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 2022 Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the Series 2022 Bonds Reserve Account. No holder or holders of any of the Series 2022 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2022 Bonds or the interest thereon.

Section 3.08 Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all the Series 2022 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System. Such Net Revenues in an

amount sufficient to pay the principal of and interest on and other payments for the Series 2022 Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 3.09 Delivery of Bonds. The Issuer shall execute and deliver the Series 2022 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2022 Bonds to the Purchaser upon receipt of the documents set forth below:

A. If other than the Purchaser, a list of the names in which the Series 2022 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 2022 Bonds to the Purchaser;

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

D. The unqualified approving opinion of bond counsel on the Series 2022 Bonds.

Section 3.10 Form of Series 2022 Bonds. The text of the Series 2022 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 or Certificate of Determinations signed prior to the issuance thereof:

[Form of Series 2022 Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF FOLLANSBEE
SEWER REVENUE BOND,
SERIES 2022

No. R-1

[\$2,800,000.00]

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 order of _____ (the "Purchaser"), or its registered assigns, at _____, _____, West Virginia _____, or at such other place as the Purchaser may hereafter designate in writing, the principal sum of TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$2,800,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, plus interest on the unpaid principal balance at the rate of _____ per cent (____%) per annum. The Issuer shall pay monthly installments of principal and interest in the amount of \$ _____, as set forth in the Debt Service Schedule attached hereto as Exhibit A, commencing on October 1, 2022, and thereafter on the first day of each month, except that the final installment shall be paid on September 1, 2037, which monthly installments of principal and interest shall be paid by the Issuer to the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"), as the Paying Agent for the Bonds, which Paying Agent shall, in turn, pay such monthly installments of principal and interest to the Purchaser or registered assigns.

Notwithstanding the foregoing, in the event of a Determination of Taxability, as hereinafter defined, the interest rate hereon shall be equal to the Taxable Rate, as hereinafter defined, commencing from the effective date of such Determination of Taxability. For purposes of the immediately preceding sentence, the following terms shall have the following meanings:

"Determination of Taxability" means a determination that all or any portion of the interest income on this Bond is not excludable from the gross income under Section 103 of the Code ("exempt interest") of a holder or former holder of this Bond. The determination shall be deemed to have been made upon the occurrence of the first to occur of the following: (a) the date on which the registered owner of this Bond is notified that Bond Counsel is unable to deliver an opinion that interest on this Bond is excludable from gross income for federal income tax purposes; (b) the date on which any change in law or regulation becomes effective or on which the Internal Revenue Service (the "IRS") issues any private ruling, technical advice or any other written communication with or to the effect that the interest income on this Bond does not qualify as exempt interest; or (c) the date on which the Issuer shall receive notice from the Purchaser in writing that the Purchaser has been notified by the Internal Revenue Service, or has

been advised by the Issuer, any registered owner or former registered owner of this Bond that the Internal Revenue Service has issued a thirty-day letter or other notice which asserts that the interest on this Bond does not qualify as exempt interest.

“Taxable Rate” means _____% per annum.

Interest on this Bond shall be calculated based upon a 365/360 basis, that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Bond shall be computed using this method.

Notwithstanding any provision of this Bond to the contrary, this Bond shall evidence only the indebtedness reflected as outstanding on the Record of Advances attached hereto as Exhibit B. Interest shall accrue only on the amount of each advance from its actual date as listed on such Record of Advances and shall cease to accrue on the amount outstanding, or portions thereof, as the same is paid. Advances and payments shall be noted by the Purchaser hereof on the Record of Advances attached hereto as the same are made, and the grid record maintained by the Purchaser as hereinafter described shall be determinative as to such matters absent manifest error.

The principal and interest installments on 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 Paying Agent. The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of _____, _____, West Virginia, as the Registrar (as defined in the hereinafter described Bond Legislation) on the 15th day of the month next preceding a payment date, or by such other method as shall be mutually agreeable so long as the Purchaser is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time at par without any redemption premium or penalty.

This Bond is issued (i) to permanently finance the finance cost of the design, acquisition, construction and equipping of certain additions, betterments and improvements to the existing public sewage system of the Issuer (the “Project”); (ii) to refund the Issuer’s Construction Anticipation Note, Series 2020 A (West Virginia Water Development Authority) issued on February 5, 2020 in the maximum principal amount of \$500,000, and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewage system facilities 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 16, Article 13 of the Code of West Virginia, 1931, as amended (the “Act”), and a Bond Ordinance duly enacted by the Issuer on _____, 2022 and a [Supplemental Resolution duly adopted / Certificate of Determinations executed] by the Issuer on _____, 2022 (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 payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System and from moneys, if any, in the Reserve Account created under the Bond Legislation for the Bonds (the “Series 2022 Bonds Reserve Account”), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2022 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, for each fiscal year to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each fiscal year equal to at least 115% of the maximum amount payable in any fiscal year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the 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 _____, _____, _____ 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.

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond has been designated a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to the payment of the Costs of the Project and the costs of issuance 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 have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of 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 revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, ordinances, 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, 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 _____, 2022.

CITY OF FOLLANSBEE

[SEAL]

Mayor

City Manager

ATTEST:

City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2022 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: _____

EXHIBIT A
DEBT SERVICE SCHEDULE

EXHIBIT B
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 \$ _____

**(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 Bonds. The Series 2022 Bonds shall be sold to the Purchaser, pursuant to the terms and conditions of the proposal submitted by such Purchaser.

Section 3.12 Designation of Bonds as “Qualified Tax-Exempt Obligations”. The Issuer hereby designates the Series 2022 Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2022 Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), including the Series 2022 Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2022.

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) with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

- A. Revenue Fund; and
- B. Renewal and Replacement Fund.

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

- A. Series 2022 Bonds Sinking Fund; and
- B. Within the Series 2022 Bonds Sinking Fund, the Series 2022 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 provided in this Bond Legislation. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

1. The Issuer shall first, each month, pay from the moneys in the Revenue Fund all Operating Expenses of the System.

2. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, commencing one (1) month prior to the first date of payment of interest on the Series 2022 Bonds, remit to the Commission for deposit in the Series 2022 Bonds Sinking Fund, an amount equal to the amount of interest which will mature and become due on the Series 2022 Bonds on the next ensuing monthly interest payment date.

3. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, commencing one (1) month prior to the first date of payment of principal of the Series 2022 Bonds, remit to the Commission for deposit in the Series 2022 Bonds Sinking Fund, an amount equal to the amount of principal which will mature and become due on the Series 2022 Bonds on the next ensuing monthly principal payment date.

4. The Issuer shall next, on each date that payment is made as set forth in subsection 5.03A(3) above, transfer from the Revenue Fund and commencing 1 month prior to the first date of payment of principal of the Series 2022 Bonds or such other date as may be set forth in the Supplemental Resolution or in a Certificate of Determinations, if not fully funded upon issuance of the Series 2022 Bonds, remit to the Commission for deposit in the Series 2022 Bonds Reserve Account an amount equal to 1/120 of the Series 2022 Bonds Reserve Requirement or such other amount as may be set forth in the Supplemental Resolution or in a Certificate of Determinations, provided, that no further payments shall be made into the Series 2022 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 2022 Bonds Reserve Requirement.

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, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of the Series 2022 Bonds Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 2022 Bonds Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2022 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2022 Bonds as the same shall become due. Moneys in the Series 2022 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2022 Bonds, as the same shall come due, when other moneys in the Series 2022 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2022 Bonds Sinking Fund and Series 2022 Bonds Reserve Account (if equal to at least the Series 2022 Bonds Reserve Requirement) shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and prior to the completion of the Project, applied to the Costs of Project, and after completion of the Project applied in full, first to the next ensuing principal payment due on the respective Series 2022 Bonds.

Any withdrawals from the Series 2022 Bonds Reserve Account which result in a reduction in the balance of the Series 2022 Bonds Reserve Account to below the Series 2022 Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2022 Bonds are issued, provision shall be made for additional payments into the respective sinking funds

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

The Issuer shall not be required to make any further payments into the Series 2022 Bonds Sinking Fund or into the Series 2022 Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2022 Bonds then Outstanding and all interest to accrue until the respective maturities thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2022 Bonds Sinking Fund and the Series 2022 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.

If requested by the Purchaser or the Commission, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2022 Bonds Sinking Fund and the Series 2022 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2022 Bonds Sinking Fund shall be used solely and only for, and is hereby pledged for, the purpose of servicing the Series 2022 Bonds under the conditions and restrictions set forth herein. The Series 2022 Bonds Reserve Account shall be used solely and only for, and is hereby pledged for, the purpose of servicing the Series 2022 Bonds when the amounts in the Series 2022 Bonds Sinking Fund are not adequate to do so.

B. 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 principal, interest and reserve account payments with respect to the Series 2022 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such

additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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

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

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

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01 Application of Bond Proceeds. From the moneys received from time to time from the sale of any or all of the Series 2022 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2022 Bonds, there shall be deposited with the Commission in the Series 2022 Bonds Reserve Account the sum, if any, set forth in the Supplemental Resolution or a Certificate of Determinations for funding of the Series 2022 Bonds Reserve Account.

B. Next, from the proceeds of the Series 2020 Bonds, there shall be paid, any and all borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including the CAN, together with interest accrued thereon to the date of such payment, not otherwise paid from the funds of the Issuer.

C. The remaining proceeds of the Series 2022 Bonds shall be advanced from time to time to pay Cost of the Project, including without limitation, to pay costs of issuing the Series 2022 Bonds, upon the receipt by the Purchaser of such requisitions and other documentation as the Purchaser may reasonably require.

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 2022 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2022 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 2022 Bonds or the interest thereon, if any, is Outstanding and unpaid.

Section 7.02 Series 2022 Bonds not to be Indebtedness of the Issuer. The Series 2022 Bonds shall not be or constitute a corporate 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 of the Series 2022 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2022 Bonds or the interest, if any, thereon.

Section 7.03 Series 2022 Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2022 Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System. Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2022 Bonds and to make the payments into all funds and accounts, and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as 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 this Bond Legislation. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth, adopted and approved in the Ordinance enacted by the Issuer on December 11, 2017, and made effective January 25, 2018.

So long as the Series 2022 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. In the event the schedule of rates and charges initially established for the System in connection with the Series 2022 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of

rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation.

Section 7.05 Sale of the System. So long as the Series 2022 Bonds are Outstanding and except as otherwise required by law or with the written consent of the Purchaser, 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 2022 Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2022 Bonds, immediately be remitted to the Commission for deposit in the Series 2022 Bonds Sinking Fund, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2022 Bonds. Any balance remaining after the payment of all the Series 2022 Bonds and interest, if any, 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 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 aggregating during such Fiscal Year in excess of \$250,000 and not in excess of \$1,000,000, shall, with the written consent of the Purchaser, be remitted by the Issuer to the Commission for deposit in the Series 2022 Bonds Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices no greater than the par value thereof plus 3% of such par value or otherwise. Such payment of such proceeds into the Renewal and Replacement Fund or Series 2022 Bonds Sinking Fund shall not reduce the amounts required to be paid into said funds 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 all Bonds then Outstanding without the prior approval and

consent in writing of the Holders, or their duly authorized representatives, of over 50% in principal amount of the Bonds then outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06 Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and in Section 7.07, so long as any of the Series 2022 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 2022 Bonds. All obligations issued by the Issuer after the issuance of the Series 2022 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 2022 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein 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 2022 Bonds, and the interest thereon, if any, upon any of the income and revenues of the System pledged for payment of the Series 2022 Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

Section 7.07 Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2022 Bonds pursuant to this Bond Legislation without complying with the conditions and requirements herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2022 Bonds.

No such Parity Bonds shall be issued except for the purpose or purposes of (i) financing all or a portion of the costs of of the design, construction, acquisition or equipping of extensions, improvements or betterments to the System; (ii) refunding all or a portion of one or more series of the Bonds, or (iii) paying 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 there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation, 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 Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds, if any, 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.

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 Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2022 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 2022 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 with respect to the Series

2022 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.

Section 7.08 Books, Records and Audit. The Issuer shall keep complete and accurate records of the cost of the design, acquisition, construction and equipping of the Project. The Issuer shall permit the Purchaser, or its 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 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 Purchaser 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 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 (and to the extent legally required, in compliance with 2 CFR 200 Subpart F or any successor thereto), and shall mail upon request and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to all Holders of the Series 2022 Bonds, and shall submit said report to Purchaser or any other original purchaser of the Series 2022 Bonds. Such audit report submitted to the Purchaser shall include a statement that the Issuer is in compliance with

the terms and provisions of the Act and this Bond Legislation, and that the Issuer's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements.

Section 7.09 Rates. Prior to the issuance of the Series 2022 Bonds, 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 the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all 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, if any, on the Series 2022 Bonds and all other obligations secured by a lien on or payable from such revenues prior to, on a parity with or junior to the Series 2022 Bonds.

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. 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. 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 make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Purchaser and to any Bondholder or anyone acting for and in behalf of such Bondholder 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.

Section 7.11 Engineering Services and Operating Personnel. The Issuer shall provide and maintain competent and adequate engineering services reasonably satisfactory to the Purchaser covering the supervision and inspection of the development and construction of the Project. The Issuer shall also employ qualified operating personnel properly certified by the State to operate the System so long as the Series 2022 Bonds are Outstanding.

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 and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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. The Issuer hereby covenants and agrees that so long as any of the Series 2022 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than \$2,800,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than \$500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 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 a 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.

Section 7.16 Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17 Completion of Project and Operation of System; Permits and Orders. The Issuer will complete the design, acquisition, construction and equipping of 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 or will obtain all permits required by state and federal laws for the design, acquisition, construction and equipping of the Project, all orders and approvals necessary for the design, acquisition, construction and equipping of the Project and the operation of the System, and all approvals for issuance of the Series 2022 Bonds required by State law, with all requisite appeal periods having expired without successful appeal and the Issuer shall provide an opinion of counsel to such effect.

Section 7.18 Compliance With Law. The Issuer shall perform, satisfy and comply with all terms and conditions of the Act and all other applicable laws, rules and regulations issued by the State, federal or local bodies in regard to the design, acquisition, construction and equipping of the Project and the operation, maintenance and use of the System.

Section 7.19 Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2022 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2022 Bonds during the term thereof is, under the terms of the Series 2022 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2022 Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2022 Bonds during the term thereof is, under the terms of the Series 2022 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5 % of Net Proceeds of the Series 2022 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2022 Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2022 Bonds or \$5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2022 Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2022 Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2022 Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Depository Bank, or such other bank or national banking association, 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 (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 Bonds are Outstanding.

Section 8.02 Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2022 Bonds in such manner and to such extent as may be necessary, so that the Series 2022 Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2022 Bonds) so that the interest on the Series 2022 Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03 Tax Certificate and Rebate. A. GENERAL COVENANT. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and

other tax matters as a condition to issuance of the Series 2022 Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2022 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

B. CREATION OF FUNDS. Notwithstanding the above, there are hereby created, to be held by the Depository Bank as separate funds distinct from all other funds and accounts held by the Depository Bank under this Ordinance, the Earnings Fund and the Rebate Fund. All interest earnings and profits on amounts in all funds and accounts established under this Ordinance, other than (i) interest earnings and profits on any funds referenced in Subsection D(5) of this Section if such earnings in any Bond Year are less than \$100,000, (ii) interest earnings and profits on amounts in funds and accounts which do not constitute Gross Proceeds, and (iii) interest earnings and profits on the Rebate Fund shall, upon receipt by the Depository Bank, be deposited in the Earnings Fund. In addition, all interest earnings and profits on Gross Proceeds in funds held by the Issuer shall, upon receipt, be paid to the Depository Bank for deposit in the Earnings Fund. Annually, on the last day of each Bond Year or on the preceding business day in the event that such last day is not a business day, the Depository Bank shall transfer from the Earnings Fund to the Rebate Fund for purposes of ultimate payment to the United States an amount equal to Excess Investment Earnings, all as more particularly described in this Section. Following the transfer referenced in the preceding sentence, the Depository Bank shall transfer all amounts remaining in the Earnings Fund to be used for the payment of debt service on the next interest payment date and for such purpose, debt service due from the Issuer on such date shall be credited by an amount equal to the amount so transferred.

C. DUTIES OF ISSUER IN GENERAL. Unless exempted therefrom, the Issuer shall calculate Excess Investment Earnings in accordance with Subsection D and shall assure payment of an amount equal to Excess Investment Earnings to the United States in accordance with Subsection E and F.

D. CALCULATION OF EXCESS INVESTMENT EARNINGS. Within 30 days following the last day of the first Bond Year, if there are any Excess Investment Earnings, the Issuer shall calculate, and shall provide written notice to the Depository Bank of, the Excess Investment Earnings referenced in clause (A) of the definition of Excess Investment Earnings. Thereafter, within 30 days following the last day of each Bond Year and within 30 days following the date of the retirement of the Bonds, the Issuer shall calculate and, if there are any Excess Investment Earnings, shall provide written notice to the Depository Bank of, the amount of Excess Investment Earnings. Said calculations shall be made or caused to be made by the Issuer in accordance with the following:

- (1) Except as provided in (2), in determining the amount described in clause A(i) of the definition of Excess Investment Earnings, the aggregate amount earned on Nonpurpose Investments shall include (i) all income

realized under federal income tax accounting principles (whether or not the person earning such income is subject to federal income tax) with respect to such Nonpurpose Investments and with respect to the reinvestment of investment receipts from such Nonpurpose Investments), including, but not limited to, gain or loss realized on the disposition of such Nonpurpose Investments (without regard to when such gains are taken into account under Section 453 of the Code relating to taxable year of inclusion of gross income), and income under Section 1272 of the Code (relating to original issue discount) and (ii) any unrealized gain or loss as of the date of retirement of the Bonds in the event that any Nonpurpose Investment is retained after such date.

- (2) In determining the amount described in clause (A) of the definition of Excess Investment Earnings, Investment Property shall be treated as acquired for its fair market value at the time it becomes a Nonpurpose Investment, so that gain or loss on the disposition of such Investment Property shall be computed with reference to such fair market value as its adjusted basis.
- (3) In determining the amount described in clause (A)(ii) of the definition of Excess Investment Earnings, the Yield on the Bonds shall be determined based on the actual Yield of the Bonds during the period between the closing date of the Bonds and the date the computation is made (with adjustments for original issue discount or premium).
- (4) In determining the amount described in clause (B) of the definition of Excess Investment Earnings, all income attributable to the excess described in clause (A) of said definition must be taken into account, whether or not that income exceeds the Yield of the Bond, and no amount may be treated as "negative arbitrage."
- (5) In determining the amount of Excess Investment Earnings, there shall be excluded any amount earned on any fund or account which is used primarily to achieve a proper matching of revenues and debt service within each Bond Year and which is depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1 year's earnings on such fund or account or 1/12th of annual debt service as well as amounts earned on said earnings if the gross earnings on such fund or account for the Bond Year is less than \$100,000.

E. PAYMENT TO THE UNITED STATES. The Issuer shall direct the Depository Bank to pay from the Rebate Fund an amount equal to Excess Investment Earnings to the United States in installments with the first payment to be made not later than 30 days after

the end of the 5th Bond Year and with subsequent payments to be made not later than 5 years after the preceding payment was due. The Issuer shall assure that each such installment is in an amount equal to at least 90% of the Excess Investment Earnings with respect to the Gross Proceeds as of the close of the computation period. Not later than 60 days after the retirement of the Bonds, the Issuer shall direct the Depository Bank to pay from the Rebate Fund to the United States 100% of the theretofore unpaid Excess Investment Earnings in the Rebate Fund. In the event that there are any amounts remaining in the Rebate Fund following the payment required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required by this Subsection E, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor.

F. FURTHER OBLIGATIONS OF ISSUER. The Issuer shall assure that Excess Investment Earnings are not paid or disbursed except as required in this Section. To that end the Issuer shall assure that investment transactions are on an arm's length basis and that Nonpurpose Investments are acquired at their fair market value. In the event that Nonpurpose Investments consist of certificates of deposit or investment contracts, investment in such Nonpurpose Investments shall be made in accordance with the procedures described in applicable Regulations as from time to time in effect. The Depository Bank shall keep the moneys in the Earnings Fund and Rebate Fund invested and reinvested to the fullest extent practicable in Government Obligations with maturities consonant with the required use thereof and investment profits and earnings shall be credited to the account of such fund on which earned.

G. MAINTENANCE OF RECORDS. The Issuer shall keep, and retain for a period of six (6) years following the retirement of the Series 2022 Bonds, records of the determinations made pursuant to this Section 8.03.

H. INDEPENDENT CONSULTANTS. In order to provide for the administration of this Section 8.03, the Issuer may in its sole discretion provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate.

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 2022 Bonds:

A. If default occurs in the due and punctual payment of the principal of or interest on the Series 2022 Bonds; or

B. If default occurs in the Issuer’s observance of any of the covenants, agreements or conditions on its part relating to the Series 2022 Bonds, set forth in this Bond Legislation, any supplemental resolution or in the Series 2022 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, the Purchaser or any other Holder of a Bond; or

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

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.

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 design, acquisition, construction and equipping 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.

Section 9.04 Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE X

PAYMENT OF BONDS

Section 10.01 Payment of Series 2022 Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of all Series 2022 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of 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 2022 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 2022 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution or a Certificate of Determinations. Following issuance of the Series 2022 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 rights of Registered Owners of the Series 2022 Bonds shall be made without the consent in writing of the Holders of a majority or more in principal amount of the Series 2022 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02 Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Holders of the Series 2022 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, Certificate of Determinations or the Series 2022 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 ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

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

Section 11.07 Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance, substantially in the form attached hereto as Exhibit B, 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 qualified newspaper published and of general circulation in the City of Follansbee, together with the notice set forth therein stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2022 Bonds, and that any person interested may appear before the Governing Body 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 Governing Body shall take such action as it shall deem proper in the premises.

Section 11.08 Effective Date. This Ordinance shall take effect following the public hearing described in Section 11.07 above.

Passed on First Reading

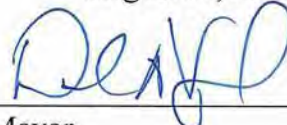
August 1, 2022

Passed on Second Reading

August 8, 2022

Passed on Final Reading
And Effective following Public
Hearing Held on

August 25, 2022

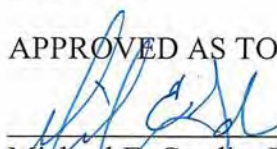


Mayor



City Clerk

APPROVED AS TO FORM:



Michael E. Gaudio, Esquire
Counsel to Issuer

EXHIBIT A

DESCRIPTION OF PROJECT

The design, acquisition, construction and equipping of certain additions, betterments and improvements to the Issuer's existing sewage system, including without limitation improvements to the sewage collection system (including the separation of the sewage collection system from the stormwater collection system) and improvements to the sewage treatment plant and related facilities.

Exhibit B

NOTICE OF PUBLIC HEARING

CITY OF FOLLANSBEE
NOTICE OF PUBLIC HEARING
ON SEWER 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 to be held on August __, 2022, at _____.m., in the Council Chambers at the Follansbee City Hall, 872 Main Street, Follansbee, West Virginia, and at such hearing any person interested may appear before the Council and present protests, all objections 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 ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWAGE FACILITIES 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 TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$2,800,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF FOLLANSBEE SEWER REVENUE BONDS TO BE DESIGNATED "SEWER REVENUE BONDS, SERIES 2022"; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF 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 enacted by the Council of the City of Follansbee upon petition of the Sanitary Board of the City on August __, 202__.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bond issue contemplated thereby. The City of Follansbee contemplates the issuance of the Bonds described in said Ordinance. The proceeds of the Bonds will be used to provide permanent financing of a portion of the costs of the design, acquisition, construction and equipping of certain additions, betterments and improvements to the sewage system for the City of Follansbee. The Bonds are payable solely from revenues derived from the ownership and operation of the sewage system of the City of Follansbee. 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 at 872 Main Street, Follansbee, West Virginia, for review by interested parties during regular office hours.

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

Dated: _____, 202_.

/s/ _____, City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF FOLLANSBEE on the 8th day of August, 2022, and passed on final reading put into effect following a public hearing held on August 25, 2022.

Dated: August 29, 2022.



City Clerk

[SEAL]

CITY OF FOLLANSBEE

RESOLUTION CONFIRMING THE ENACTMENT OF THE BOND ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF FOLLANSBEE OF NOT MORE THAN TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$2,800,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2022, CONFIRMING THE PUBLICATION OF THE NOTICE OF PUBLIC HEARING, CONFIRMING THE PUBLIC HEARING AND DECLARING THAT THE ORDINANCE IS IN EFFECT.

WHEREAS, a Bond Ordinance (the "Ordinance") (i) authorizing the issuance by the City of Follansbee (the "Issuer") of not more than Two Million Eight Hundred Thousand Dollars (\$2,800,000.00) in aggregate principal amount of Sewer Revenue Bonds, Series 2022 (the "2022 Bonds"), (ii) providing parameters for the terms of the 2022 Bonds and (iii) authorizing the execution and delivery of the Series 2022 Bonds and other documents, instruments, certificates and agreements and the taking of all other actions relating to the issuance of the 2022 Bonds was passed on first reading at a meeting of the City Council of the Issuer held on August 1, 2022, and was passed on second reading and enacted at a meeting of the City Council of the Issuer held on August 8, 2022; and

WHEREAS, the Issuer published an abstract of such Ordinance and notice of the date, time and place for a public hearing in accordance with applicable statutory requirements in *The Brooke County Review* on August 12, 2022 and August 19, 2022; and

WHEREAS, a public hearing was held on August 25, 2022, and pursuant to said notice the City Council of the Issuer has heard all objections and suggestions with respect to the Ordinance.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the Issuer hereby confirms its action on August 8, 2022, in enacting the Ordinance upon second reading; and

FURTHER RESOLVED, that notice having been properly published, the Ordinance is hereby declared to be passed on final reading and put into effect following the public hearing at which time all objections or suggestions were heard regarding the Ordinance and the issuance of the 2022 Bonds in accordance with the requirements of Section 6 of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended.

This Resolution shall take effect immediately upon the adoption thereof.

Adopted this 25th day of August 2022.

CITY OF FOLLANSBEE

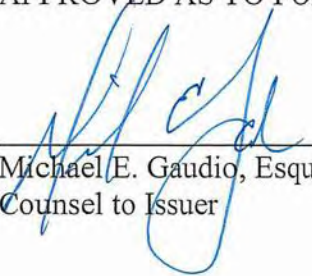


Mayor



City Clerk

APPROVED AS TO FORM:



Michael E. Gaudio, Esquire
Counsel to Issuer

CERTIFICATION

The undersigned, being the duly qualified, appointed and acting City Clerk of the City of Follansbee, does hereby certify that the foregoing Resolution is a true, correct and complete copy of a Resolution duly adopted by the City Council of the City of Follansbee, at a special meeting duly held at 6:00 p.m. on August 25, 2022.

Dated this 29th day of August 2022.

By: 
Its: City Clerk

**CITY OF FOLLANSBEE
SEWER REVENUE BONDS,
SERIES 2022**

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION SETTING PARAMETERS AS TO AMOUNT, MATURITY, INTEREST RATE, PRICE AND OTHER DETAILS AS TO THE SEWER REVENUE BONDS, SERIES 2022 OF THE CITY OF FOLLANSBEE; DELEGATING TO THE MAYOR AND THE CITY MANAGER OF THE CITY THE AUTHORITY TO APPROVE THE FINAL TERMS AND PRICING OF THE BONDS; APPOINTING A REGISTRAR, PAYING AGENT, AND DEPOSITORY BANK; 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 August 8, 2022, and has put such Ordinance into effect following a public hearing held on the date hereof (the “Ordinance”) entitled:

ORDINANCE AUTHORIZING THE REFUNDING OF THE CITY OF FOLLANSBEE CONSTRUCTION ANTICIPATION NOTE, SERIES 2020 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) AND THE DESIGN, ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWAGE FACILITIES 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 TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$2,800,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF FOLLANSBEE SEWER REVENUE BONDS TO BE DESIGNATED “SEWER REVENUE BONDS, SERIES 2022”; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF 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 Two Million Eight Hundred Thousand Dollars (\$2,800,000.00) in aggregate principal amount of sewer revenue bonds to be designated Sewer Revenue Bonds, Series 2022 (the "Series 2022 Bonds"), all in accordance with Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (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 2022 Bonds should be established by a Supplemental Resolution or Certificate of Determinations pertaining to the Series 2022 Bonds; and that other matters relating to the Series 2022 Bonds be herein provided for;

WHEREAS, the Issuer has received a proposal for the purchase of the Series 2022 Bonds from WesBanco Bank, Inc. (the "Purchaser") which has been determined by the Issuer to be advantageous to the Issuer and, accordingly, has accepted such proposal;

WHEREAS, by a Petition adopted on August 1, the Sanitary Board of the Issuer duly petitioned the Issuer to enact the Ordinance directing that the Series 2022 Bonds be issued to finance costs of the Project;

WHEREAS, the Series 2022 are proposed to be purchased by the Purchaser pursuant to its proposal;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the proposal of the Purchaser to purchase the Series 2022 Bonds be accepted, 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 2022 Bonds be as set forth herein or as fixed by a Certificate of Determinations in the manner stated herein;

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.

Section 2. The proposal of WesBanco Bank, Inc. is hereby accepted and, accordingly, is hereby designated as the Purchaser of the Series 2022 Bonds provided that, in the event the Mayor or City Manager determines that the Issuer will not be able to consummate the purchase of the Series 2022 Bonds by WesBanco Bank, Inc. on terms acceptable to the Mayor or City Manager, as the case may be, acting on behalf of the Issuer, the "Purchaser" shall be such other bank as may be designated in a Certificate of Determinations.

Section 3. Pursuant to the Ordinance and the Act, there are hereby authorized and ordered to be issued the Series 2022 Bonds. The Series 2022 Bonds shall be dated, shall be issued in such aggregate principal amount not to exceed \$2,800,000, shall bear interest at a rate not to exceed 3.85% per annum (other than a taxable rate which may be higher), with interest payable on such dates, with final maturity to be on or before September 1, 2037, and shall have such redemption provisions and other terms as shall be approved by the Mayor or City Manager

as set forth in a Certificate of Determinations executed by the Mayor or City Manager prior to the date of delivery of the Series 2022 Bonds, which Certificate shall be substantially in the form attached hereto as Exhibit A.

Section 4. All other provisions relating to the Series 2022 Bonds shall be as provided in the Ordinance except as provided herein or in the Certificate of Determinations. Without limiting the generality of the foregoing, the Mayor and City Manager are each authorized to approve the form of a Project Fund Agreement in the Certificate of Determinations and each of the Mayor and City Manager are further authorized and directed to execute and deliver such Project Fund Agreement if such Project Fund Agreement is approved in the Certificate of Determinations.

Section 5. The Registrar for the Series 2022 Bonds shall be such bank as may be designated in the Certificate of Determinations.

Section 6. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2022 Bonds under the Ordinance.

Section 7. The Issuer does hereby appoint and designate WesBanco Bank, Inc., Follansbee, West Virginia, to serve as Depository Bank under the Ordinance.

Section 8. The Series 2022 Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2022 Bonds Sinking Fund as capitalized interest.

Section 9. The Series 2022 Bonds proceeds in the amount of \$-0- shall be deposited in a Series 2022 Bonds Reserve Account.

Section 10. The proceeds of the Series 2022 Bonds shall be disbursed for the refunding of the Issuer's Construction Anticipation Note, Series 2020 A (West Virginia Water Development Authority), and paying of Costs of the Project, including costs of issuance of the Series 2022 Bonds and the reimbursement of the Issuer of any such Costs paid by the Issuer, in the manner to be set forth in the Certificate of Determinations.

Section 11. The Mayor, City Manager and City Clerk are hereby authorized and directed to execute and deliver the Series 2022 Bonds and such other documents, agreements, instruments and certificates required or desirable in connection with the Series 2022 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 2022 Bonds may be delivered to the Purchaser as soon as practicable after the date of adoption hereof.

Section 12. The design, acquisition, construction and equipping of the Project and the financing thereof with the proceeds of the Series 2022 Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The refunding of the Issuer's Construction Anticipation Note, Series 2020 A (West Virginia Water Development Authority) with proceeds of the Series 2022 Bonds is hereby authorized and directed.

Section 14. The last sentence of Section 7.09 of the Ordinance entitled "Rates" is hereby amended to read as follows: "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 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2022 Bonds and all other obligations secured by a lien on or payable from such revenues prior to, on a parity with or junior to the Series 2022 Bonds." In addition, the reference to 115% in the Form of Series 2022 Bond set forth in Section 3.10 of the Ordinance is hereby amended to reference 110%.

Section 15. 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 or demand deposits of the Depository Bank, secured by a pledge of Government Obligations to the extent required by applicable law, 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 or demand deposits until further directed by the Issuer. Monies in the Sinking Fund and Reserve Account for the Series 2022 Bonds shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 16. All contracts relating to the financing, design, acquisition, construction and equipping of the Project are hereby approved and the Mayor and the City Manager are each hereby authorized and directed to execute and deliver all such contracts.

Section 17. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 18. 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 2022 Bonds. The Issuer also hereby approves the reimbursement of the Issuer from the proceeds of the Series 2022 Bonds for any such invoices or bills for the Project previously paid by the Issuer.

Section 19. The Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds attached hereto as Exhibit B are hereby adopted.

Section 20. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 25th day of August 2022.

CITY OF FOLLANSBEE

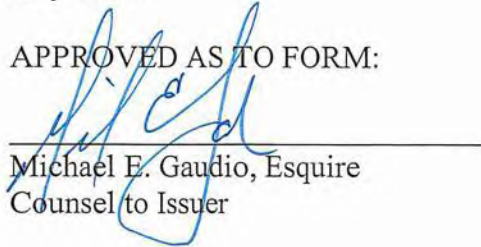


Mayor



City Clerk

APPROVED AS TO FORM:



Michael E. Gaudio, Esquire
Counsel to Issuer

EXHIBIT A

**CERTIFICATE OF DETERMINATIONS PURSUANT TO
SUPPLEMENTAL RESOLUTION ADOPTED BY THE
COUNCIL OF THE CITY OF FOLLANSBEE
ON AUGUST 25, 2022
RELATING TO THE ISSUANCE AND SALE OF NOT TO EXCEED
\$2,800,000 CITY OF FOLLANSBEE
SEWER REVENUE BONDS, SERIES 2022**

The undersigned [Mayor/City Manager] of the City of Follansbee (the "Issuer"), pursuant to the Supplemental Resolution of the Issuer adopted on August 25, 2022, which Supplemental Resolution supplemented and amended the Ordinance of the Issuer enacted on August 8, 2022, and put into effect following a public hearing held on August 25, 2022 (collectively, the "Bond Ordinance"), relating to the issuance and sale of not to exceed \$2,800,000 City of Follansbee Sewer Revenue Bonds, Series 2022 (the "Bonds"), hereby makes the following determinations:

1. The Bonds shall be issued in the aggregate principal amount of \$_____.
2. The Bonds shall be issued as a single certificate number R-1 issued in the name of [WesBanco Bank, Inc.], as the Purchaser of the Bonds.
3. The interest rate for such Bonds shall be [3.85] % per annum, provided that, upon a Determination of Taxability, as defined in the form of the Bonds set forth in Section 3.10 of the Bond Ordinance, the interest rate on the Bonds shall be raised to a fixed rate of ___% per annum.
4. The mandatory redemption provisions of the Bonds shall be the respective principal components of the payments as set forth in Exhibit A.
5. The optional redemption provisions for the Bonds shall _____.
6. The purchase price for the Bonds shall be \$_____, which is the par amount of the Bonds.
7. The sum of \$_____ shall be deposited in the Series 2022 Bonds Reserve Account from the proceeds of the Bonds.
8. The Registrar for the Series 2022 Bonds shall be WesBanco Bank, Inc.
9. The proceeds of the Bonds shall be disbursed as follows:

IN WITNESS WHEREOF, the undersigned [Mayor/City Manager] of the City of Follansbee has caused this document to be executed as of the ____ day of August, 2022.

[Mayor/City Manager]

EXHIBIT A [TO EXHIBIT A]
AMORTIZATION SCHEDULE

EXHIBIT B

POST-ISSUANCE TAX COMPLIANCE PROCEDURES FOR TAX-EXEMPT BOND

The purpose of these Post-Issuance Tax Compliance Procedures is to establish policies and procedures in connection with tax-exempt bonds (collectively, the “Bonds”) issued by the City of Follansbee (the “Issuer”) so as to maximize the likelihood that all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of the Bonds are met. The Issuer reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as circumstances warrant provided, any exceptions to these procedures shall not be made without engaging bond counsel or other legal counsel for consultation for a determination that such exception would not cause the Bonds to lose their tax-exempt status. The Issuer also reserves the right to change these policies and procedures from time to time. The Issuer shall also be responsible for ensuring an adequate succession plan for transferring post-issuance compliance responsibility when changes in staff occur.

General

The Issuer now identifies post-issuance tax compliance procedures for all Bonds issued.

Post-Issuance Compliance Requirements

External Advisors / Documentation

The Issuer shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for tax-exempt status. The Issuer also shall engage bond counsel and other legal counsel and advisors, as needed, for consultation following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with any potential changes in use of Bond-financed or refinanced assets.

The Issuer shall be responsible for determining (or obtain expert advice to determine) whether arbitrage rebate calculations have to be made for the Bond issue. If it is determined that such calculations are or are likely to be required, the Issuer shall engage expert advisors (each a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds, or else shall ensure that it has adequate financial, accounting and legal resources of its own to make such calculations, Issuer shall make any rebate payments required on a timely basis.

Unless otherwise provided by the indenture, ordinance or other applicable document relating to the Bonds, unexpended Bond proceeds shall be held by a trustee or other

financial institution, and the investment of Bond proceeds shall be managed by the Issuer. The Issuer shall prepare (or cause the trustee or other financial institution to prepare) regular, periodic statements regarding the investments and transactions involving Bond proceeds and such statements shall be delivered to the bond issuer if it so requests.

Arbitrage Rebate and Yield

The City Manager of the Issuer, or his or her designee, shall be responsible for overseeing compliance with arbitrage rebate requirements under federal tax regulations:

- 1) If at the time of Bond Issuance, based on reasonable expectations set forth in the Tax Certificate or Tax Regulatory Agreement (the "Tax Certificate"), it appears likely that the Bond issue will qualify for an exemption from the rebate requirement, the Issuer may defer taking any of the actions set forth in the subsection (2). Not later than the time of completion of construction or acquisition of the Bond-financed project, and depletion of all funds from the project fund, the Issuer shall make a determination if expenditure of the Bond proceeds qualified for exemption from the rebate requirements based on spending within a 6-month, 18-month or 2-year period after issuance. If rebate exemption is determined to be applicable, Issuer shall prepare and keep in the permanent records of the Bond issue a memorandum evidencing this conclusion together with records of expenditure to support such conclusion. If the transaction does not qualify for rebate exemption, Issuer shall initiate the steps set forth in (2) below.
- 2) If at the time of Bond issuance it appears likely that arbitrage rebate calculations will be required, or upon determination that calculations are required pursuant to (1) above, Issuer shall:
 - if necessary, (i) engage the services of a Rebate Service Provider, (ii) prior to each rebate calculation date, cause the trustee or other financial institution investing bond proceeds to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider, and (iii) if necessary, contributing, or causing the trustee to contribute any required annual payments into any rebate fund;
 - provide to the Rebate Service Provider additional documents and information reasonable requested by the Rebate Service Provider;
 - monitor efforts of the Rebate Service Provider;
 - assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed or matures;
 - during the construction period of each capital project financed in whole or in part by Bonds, monitor the investment and expenditure of Bond proceeds and consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-

month spending period up to 6 months, 18 months, as applicable, following the issue date of the Bonds;

- retain copies of all arbitrage reports and trustee statements as described below under “Record Keeping Requirements” and, upon request, providing such copies to the Bond issuer; and
- in lieu of engaging an outside Rebate Service Provider, the Issuer may make a determination that it has sufficient capabilities using its own personnel, supported by its regular accounting and legal advisers, to be able to make the required rebate calculations. Such determination shall be evidenced in writing with specific reference to the personnel and advisers to carry out the calculations, and such written determination shall be maintained in the records of the Bond transaction.

Use of Bond Proceeds and Bond-Financed or Refinanced Assets:

The City Manager of the Issuer, or his or her designee, shall be responsible for:

- monitoring the use of Bond proceeds (including investment earnings and including reimbursement of expenditures made before Bond issuance) and the use of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds (including investment earnings and including reimbursement of expenditures made before Bond issuance), including a final allocation of Bond proceeds as described below under “Record Keeping Requirements”;
- consulting at least annually with personnel responsible for Bond-financed or refinanced assets to identify and discussing any existing or planned use of Bond-financed or refinanced assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
- conferring at least annually with personnel responsible for Bond-financed or refinanced assets to identify and discussing any existing or planned use of Bond-financed or refinanced assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds; and
- to the extent that the Issuer discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to remediate all

nonqualified Bonds in a timely manner, if such counsel advises that remedial action is necessary.

All relevant records and contracts shall be maintained as described below.

Record Keeping Requirement

The City Manager of the Issuer, or his or her designee, shall be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least 3 years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered to the Issuer at or in connection with closing of the issue of Bonds;
- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds and the Final Completion Report filed pursuant to the Loan Agreement; and
- a copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any.

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the City Council of the City of Follansbee on the 25th day of August 2022.

Dated: August 29, 2022.

[SEAL]



City Clerk

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF FOLLANSBEE
SEWER REVENUE BOND,
SERIES 2022

No. R-1

\$2,800,000.00

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 order of WesBanco Bank, Inc. (the "Purchaser"), or its registered assigns, at 1 Bank Plaza, Wheeling, West Virginia 26003, or at such other place as the Purchaser may hereafter designate in writing, the principal sum of TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$2,800,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, plus interest on the unpaid principal balance at the rate of THREE AND EIGHTY FIVE HUNDREDTHS PERCENT (3.85%) per annum.

Interest only on the principal amount outstanding shall be due and payable by the Issuer directly to Purchaser on the first day of each month commencing October 1, 2022 to and including September 1, 2023. Thereafter, the Issuer shall pay monthly installments of principal and interest in the amount of \$21,663.46, as set forth in the Debt Service Schedule attached hereto as Exhibit A, commencing on October 1, 2023, and thereafter on said corresponding day of each month, except that the final installment shall be paid on September 1, 2037, on which date all unpaid principal of and interest on the Bonds shall be due and payable. The foregoing monthly installments of principal and interest shall be paid by the Issuer to the West Virginia Municipal Bond Commission, as the Paying Agent for the Bonds, one month in advance of the due date therefor, which Paying Agent shall, in turn, pay such monthly installments of principal and interest to the Purchaser or registered assigns. Accordingly, the first payment of principal and interest shall be paid by the Issuer to the West Virginia Municipal Bond Commission, as the Paying Agent for the Bonds on September 1, 2023, in an amount equal to the installment of principal and interest due on October 1, 2023. If \$2,800,000 in principal amount of this Bond has not been disbursed for the project or into the Project Fund referenced in the Bond Legislation, as hereinafter defined, as of September 2, 2023, the amortization schedule set forth in Exhibit A attached hereto shall be replaced with an amortization schedule for the principal amount of the Bonds that has been disbursed for the project or into such Project Fund as of September 1, 2023 after all advances to be made on such date have been made.

Notwithstanding the foregoing, in the event of a Determination of Taxability, as hereinafter defined, the interest rate hereon shall be equal to the Taxable Rate, as hereinafter defined, commencing from the effective date of such Determination of Taxability. For purposes of the immediately preceding sentence, the following terms shall have the following meanings:

"Determination of Taxability" means a determination that all or any portion of the interest income on this Bond is not excludable from the gross income under Section 103 of the

Code (“exempt interest”) of a holder or former holder of this Bond. The determination shall be deemed to have been made upon the occurrence of the first to occur of the following: (a) the date on which the registered owner of this Bond is notified that Bond Counsel is unable to deliver an opinion that interest on this Bond is excludable from gross income for federal income tax purposes; (b) the date on which any change in law or regulation becomes effective or on which the Internal Revenue Service (the “IRS”) issues any private ruling, technical advice or any other written communication with or to the effect that the interest income on this Bond does not qualify as exempt interest; or (c) the date on which the Issuer shall receive notice from the Purchaser in writing that the Purchaser has been notified by the Internal Revenue Service, or has been advised by the Issuer, any registered owner or former registered owner of this Bond that the Internal Revenue Service has issued a thirty-day letter or other notice which asserts that the interest on this Bond does not qualify as exempt interest.

“Taxable Rate” means 4.81% per annum.

Interest on this Bond shall be calculated based upon a 365/360 basis, that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Bond shall be computed using this method.

Notwithstanding any provision of this Bond to the contrary, this Bond shall evidence only the indebtedness reflected as outstanding on the Record of Advances and Payments attached hereto as Exhibit B. Interest shall accrue only on the amount of each advance from its actual date as listed on such Record of Advances and Payments and shall cease to accrue on the amount outstanding, or portions thereof, as the same is paid as noted on such Record of Advances and Payments. Advances and payments shall be noted by the Purchaser hereof on the Record of Advances and Payments attached hereto as the same are made, and the grid record maintained by the Purchaser as hereinafter described shall be determinative as to such matters absent manifest error.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time at par without any redemption premium or penalty.

This Bond is issued (i) to refund the Issuer’s Construction Anticipation Note, Series 2020 A (West Virginia Water Development Authority), (ii) to permanently finance the finance cost of the design, acquisition, construction and equipping of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the “Project”) and (iii) to pay

certain costs of issuance hereof and related costs. The existing public sewerage system facilities 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 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on August 8, 2022, and put into effect following a public hearing held on August 25, 2022, as supplemented and amended by a Supplemental Resolution duly adopted by the Issuer on August 25, 2022, and the Certificate of Determinations executed in connection therewith on August 29, 2022 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System and from moneys, if any, in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2022 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2022 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, for each fiscal year to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each fiscal year equal to at least 110% of the maximum amount payable in any fiscal year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the 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 WesBanco Bank, Inc., Wheeling, West Virginia as registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond has been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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

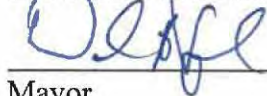
IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of 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 revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, ordinances, 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.

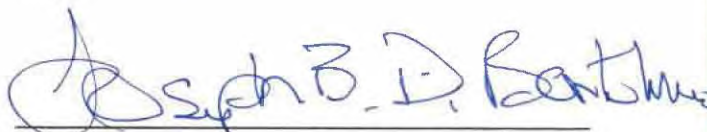
IN WITNESS WHEREOF, CITY OF FOLLANSBEE has caused this Bond to be signed by its Mayor and City Manager and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated as of August 29, 2022.

[SEAL]

CITY OF FOLLANSBEE



Mayor



City Manager

ATTEST:



City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2022 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: August 29, 2022.

WESBANCO BANK, INC.,
as Registrar

By: *Dr. Shaunda K. Fosse*

Its: *Assistant Vice President + Trust Officer*

EXHIBIT A
DEBT SERVICE SCHEDULE

EXHIBIT B
RECORD OF ADVANCES AND PAYMENTS

ADVANCES

	<u>Amount</u>	<u>Date</u>		<u>Amount</u>	<u>Date</u>
(1)	\$458,396.17	August 29, 2022	(7)	\$	
(2)	\$		(8)	\$	
(3)	\$		(9)	\$	
(4)	\$		(10)	\$	
(5)	\$		(11)	\$	
(6)	\$		(12)	\$	

Total \$ _____

RECORD OF ADVANCES AND PAYMENTS

PRINCIPAL PAYMENTS

Date

Amount

Initialed by (Holder Officer)

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:

AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$2,800,000.00	08-29-2022	09-01-2037	7200324718-1001			2855	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: City of Follansbee
PO Box 606
Follansbee, WV 26037

Lender: WesBanco Bank, Inc.
Weirton Penco Office
333 Penco Road
Weirton, WV 26062
(304) 797-8000

Disbursement Date: September 1, 2023
Interest Rate: 3.850

Repayment Schedule: Installment
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	10-01-2023	21,663.46	8,983.33	12,680.13	2,787,319.87
2	11-01-2023	21,663.46	9,240.74	12,422.72	2,774,897.15
3	12-01-2023	21,663.46	8,902.79	12,760.67	2,762,136.48
2023 TOTALS:		64,990.38	27,126.86	37,863.52	
4	01-01-2024	21,663.46	9,157.25	12,506.21	2,749,630.27
5	02-01-2024	21,663.46	9,115.79	12,547.67	2,737,082.60
6	03-01-2024	21,663.46	8,488.76	13,174.70	2,723,907.90
7	04-01-2024	21,663.46	9,030.51	12,632.95	2,711,274.95
8	05-01-2024	21,663.46	8,698.67	12,964.79	2,698,310.16
9	06-01-2024	21,663.46	8,945.65	12,717.81	2,685,592.35
10	07-01-2024	21,663.46	8,616.28	13,047.18	2,672,545.17
11	08-01-2024	21,663.46	8,860.23	12,803.23	2,659,741.94
12	09-01-2024	21,663.46	8,817.78	12,845.68	2,646,896.26
13	10-01-2024	21,663.46	8,492.13	13,171.33	2,633,724.93
14	11-01-2024	21,663.46	8,731.53	12,931.93	2,620,793.00
15	12-01-2024	21,663.46	8,408.38	13,255.08	2,607,537.92
2024 TOTALS:		259,961.52	105,362.96	154,598.56	
16	01-01-2025	21,663.46	8,644.71	13,018.75	2,594,519.17
17	02-01-2025	21,663.46	8,601.55	13,061.91	2,581,457.26
18	03-01-2025	21,663.46	7,730.03	13,933.43	2,567,523.83
19	04-01-2025	21,663.46	8,512.05	13,151.41	2,554,372.42
20	05-01-2025	21,663.46	8,195.28	13,468.18	2,540,904.24
21	06-01-2025	21,663.46	8,423.80	13,239.66	2,527,664.58
22	07-01-2025	21,663.46	8,109.59	13,553.87	2,514,110.71
23	08-01-2025	21,663.46	8,334.98	13,328.48	2,500,782.23
24	09-01-2025	21,663.46	8,290.79	13,372.67	2,487,409.56
25	10-01-2025	21,663.46	7,980.44	13,683.02	2,473,726.54
26	11-01-2025	21,663.46	8,201.09	13,462.37	2,460,264.17
27	12-01-2025	21,663.46	7,893.35	13,770.11	2,446,494.06
2025 TOTALS:		259,961.52	98,917.66	161,043.86	
28	01-01-2026	21,663.46	8,110.81	13,552.65	2,432,941.41
29	02-01-2026	21,663.46	8,065.88	13,597.58	2,419,343.83
30	03-01-2026	21,663.46	7,244.59	14,418.87	2,404,924.96
31	04-01-2026	21,663.46	7,972.99	13,690.47	2,391,234.49
32	05-01-2026	21,663.46	7,671.88	13,991.58	2,377,242.91
33	06-01-2026	21,663.46	7,881.22	13,782.24	2,363,460.67
34	07-01-2026	21,663.46	7,582.77	14,080.69	2,349,379.98
35	08-01-2026	21,663.46	7,788.85	13,874.61	2,335,505.37
36	09-01-2026	21,663.46	7,742.85	13,920.61	2,321,584.76
37	10-01-2026	21,663.46	7,448.42	14,215.04	2,307,369.72
38	11-01-2026	21,663.46	7,649.57	14,013.89	2,293,355.83
39	12-01-2026	21,663.46	7,357.85	14,305.61	2,279,050.22
2026 TOTALS:		259,961.52	92,517.68	167,443.84	
40	01-01-2027	21,663.46	7,555.68	14,107.78	2,264,942.44
41	02-01-2027	21,663.46	7,508.91	14,154.55	2,250,787.89
42	03-01-2027	21,663.46	6,739.86	14,923.60	2,235,864.29
43	04-01-2027	21,663.46	7,412.51	14,250.95	2,221,613.34
44	05-01-2027	21,663.46	7,127.68	14,535.78	2,207,077.56
45	06-01-2027	21,663.46	7,317.08	14,346.38	2,192,731.18
46	07-01-2027	21,663.46	7,035.01	14,628.45	2,178,102.73
47	08-01-2027	21,663.46	7,221.02	14,442.44	2,163,660.29
48	09-01-2027	21,663.46	7,173.13	14,490.33	2,149,169.96
49	10-01-2027	21,663.46	6,895.25	14,768.21	2,134,401.75
50	11-01-2027	21,663.46	7,076.13	14,587.33	2,119,814.42
51	12-01-2027	21,663.46	6,801.07	14,862.39	2,104,952.03

AMORTIZATION SCHEDULE (Continued)

2027 TOTALS:		259,961.52	85,863.33	174,098.19	
52	01-01-2028	21,663.46	6,978.50	14,684.96	2,090,267.07
53	02-01-2028	21,663.46	6,929.82	14,733.64	2,075,533.43
54	03-01-2028	21,663.46	6,437.04	15,226.42	2,060,307.01
55	04-01-2028	21,663.46	6,830.49	14,832.97	2,045,474.04
56	05-01-2028	21,663.46	6,562.56	15,100.90	2,030,373.14
57	06-01-2028	21,663.46	6,731.25	14,932.21	2,015,440.93
58	07-01-2028	21,663.46	6,466.21	15,197.25	2,000,243.68
59	08-01-2028	21,663.46	6,831.36	15,032.10	1,985,211.58
60	09-01-2028	21,663.46	6,581.53	15,081.93	1,970,129.65
61	10-01-2028	21,663.46	6,320.83	15,342.63	1,954,787.02
62	11-01-2028	21,663.46	6,480.66	15,182.80	1,939,604.22
63	12-01-2028	21,663.46	6,222.90	15,440.56	1,924,163.66
2028 TOTALS:		259,961.52	79,173.15	180,788.37	
64	01-01-2029	21,663.46	6,379.14	15,284.32	1,908,879.34
65	02-01-2029	21,663.46	6,328.47	15,334.99	1,893,544.35
66	03-01-2029	21,663.46	5,670.11	15,993.35	1,877,551.00
67	04-01-2029	21,663.46	6,224.60	15,438.86	1,862,112.14
68	05-01-2029	21,663.46	5,974.28	15,689.18	1,846,422.96
69	06-01-2029	21,663.46	6,121.40	15,542.06	1,830,880.90
70	07-01-2029	21,663.46	5,874.08	15,789.38	1,815,091.52
71	08-01-2029	21,663.46	6,017.53	15,645.93	1,799,445.59
72	09-01-2029	21,663.46	5,965.66	15,697.80	1,783,747.79
73	10-01-2029	21,663.46	5,722.86	15,940.60	1,767,807.19
74	11-01-2029	21,663.46	5,860.77	15,802.69	1,752,004.50
75	12-01-2029	21,663.46	5,621.01	16,042.45	1,735,962.05
2029 TOTALS:		259,961.52	71,759.91	188,201.61	
76	01-01-2030	21,663.46	5,755.20	15,908.26	1,720,063.79
77	02-01-2030	21,663.46	5,702.46	15,961.00	1,704,092.79
78	03-01-2030	21,663.46	5,102.81	16,560.65	1,687,532.14
79	04-01-2030	21,663.46	5,594.84	16,068.82	1,671,463.32
80	05-01-2030	21,663.46	5,362.61	16,300.85	1,655,162.47
81	06-01-2030	21,663.46	5,487.32	16,176.14	1,638,986.33
82	07-01-2030	21,663.46	5,258.41	16,405.05	1,622,581.28
83	08-01-2030	21,663.46	5,379.31	16,284.15	1,606,297.13
84	09-01-2030	21,663.46	5,325.32	16,338.14	1,589,958.99
85	10-01-2030	21,663.46	5,101.12	16,562.34	1,573,396.65
86	11-01-2030	21,663.46	5,216.25	16,447.21	1,556,949.44
87	12-01-2030	21,663.46	4,995.21	16,668.25	1,540,281.19
2030 TOTALS:		259,961.52	64,280.66	195,680.86	
88	01-01-2031	21,663.46	5,106.46	16,557.00	1,523,724.19
89	02-01-2031	21,663.46	5,051.57	16,611.89	1,507,112.30
90	03-01-2031	21,663.46	4,512.96	17,150.50	1,489,961.80
91	04-01-2031	21,663.46	4,939.64	16,723.82	1,473,237.98
92	05-01-2031	21,663.46	4,726.64	16,936.82	1,456,301.16
93	06-01-2031	21,663.46	4,828.04	16,835.42	1,439,465.74
94	07-01-2031	21,663.46	4,618.29	17,045.17	1,422,420.57
95	08-01-2031	21,663.46	4,715.72	16,947.74	1,405,472.83
96	09-01-2031	21,663.46	4,659.53	17,003.93	1,388,468.90
97	10-01-2031	21,663.46	4,454.67	17,208.79	1,371,260.11
98	11-01-2031	21,663.46	4,546.11	17,117.35	1,354,142.76
99	12-01-2031	21,663.46	4,344.54	17,318.92	1,336,823.84
2031 TOTALS:		259,961.52	56,504.17	203,457.35	
100	01-01-2032	21,663.46	4,431.94	17,231.52	1,319,592.32
101	02-01-2032	21,663.46	4,374.81	17,288.65	1,302,303.67
102	03-01-2032	21,663.46	4,038.95	17,624.51	1,284,679.16
103	04-01-2032	21,663.46	4,259.07	17,404.39	1,267,274.77
104	05-01-2032	21,663.46	4,065.84	17,597.62	1,249,677.15
105	06-01-2032	21,663.46	4,143.03	17,520.43	1,232,156.72
106	07-01-2032	21,663.46	3,953.17	17,710.29	1,214,446.43
107	08-01-2032	21,663.46	4,026.23	17,637.23	1,196,809.20
108	09-01-2032	21,663.46	3,967.75	17,695.71	1,179,113.49
109	10-01-2032	21,663.46	3,782.99	17,880.47	1,161,233.02
110	11-01-2032	21,663.46	3,849.81	17,813.65	1,143,419.37
111	12-01-2032	21,663.46	3,668.47	17,994.99	1,125,424.38
2032 TOTALS:		259,961.52	48,562.06	211,399.46	
112	01-01-2033	21,663.46	3,731.09	17,932.37	1,107,492.01
113	02-01-2033	21,663.46	3,671.64	17,991.82	1,089,500.19
114	03-01-2033	21,663.46	3,262.45	18,401.01	1,071,099.18

AMORTIZATION SCHEDULE (Continued)

Loan No: 7200324718-1001

Page 3

115	04-01-2033	21,663.46	3,550.99	18,112.47	1,052,986.71
116	05-01-2033	21,663.46	3,378.33	18,285.13	1,034,701.58
117	06-01-2033	21,663.46	3,430.32	18,233.14	1,016,468.44
118	07-01-2033	21,663.46	3,261.17	18,402.29	998,066.15
119	08-01-2033	21,663.46	3,308.87	18,354.59	979,711.56
120	09-01-2033	21,663.46	3,248.02	18,415.44	961,296.12
121	10-01-2033	21,663.46	3,084.16	18,579.30	942,716.82
122	11-01-2033	21,663.46	3,125.37	18,538.03	924,178.73
123	12-01-2033	21,663.46	2,965.07	18,698.39	905,480.34

2033 TOTALS: 259,961.52 40,017.48 219,944.04

124	01-01-2034	21,663.46	3,001.92	18,661.54	886,818.80
125	02-01-2034	21,663.46	2,940.05	18,723.41	868,095.39
126	03-01-2034	21,663.46	2,599.46	19,064.00	849,031.39
127	04-01-2034	21,663.46	2,814.77	18,846.69	830,182.70
128	05-01-2034	21,663.46	2,663.50	18,999.96	811,182.74
129	06-01-2034	21,663.46	2,689.30	18,974.16	792,208.58
130	07-01-2034	21,663.46	2,541.67	19,121.79	773,086.79
131	08-01-2034	21,663.46	2,563.00	19,100.46	753,986.33
132	09-01-2034	21,663.46	2,499.67	19,163.79	734,822.54
133	10-01-2034	21,663.46	2,357.56	19,305.90	715,516.64
134	11-01-2034	21,663.46	2,372.14	19,291.32	696,225.32
135	12-01-2034	21,663.46	2,233.72	19,429.74	676,795.58

2034 TOTALS: 259,961.52 31,276.76 228,684.76

136	01-01-2035	21,663.46	2,243.77	19,419.69	657,375.89
137	02-01-2035	21,663.46	2,179.38	19,484.08	637,891.81
138	03-01-2035	21,663.46	1,910.13	19,753.33	618,138.48
139	04-01-2035	21,663.46	2,049.30	19,614.16	598,524.32
140	05-01-2035	21,663.46	1,920.27	19,743.19	578,781.13
141	06-01-2035	21,663.46	1,918.82	19,744.64	559,036.49
142	07-01-2035	21,663.46	1,793.58	19,869.88	539,166.61
143	08-01-2035	21,663.46	1,787.49	19,875.97	519,290.64
144	09-01-2035	21,663.46	1,721.59	19,941.87	499,348.77
145	10-01-2035	21,663.46	1,602.08	20,061.38	479,287.39
146	11-01-2035	21,663.46	1,588.97	20,074.49	459,212.90
147	12-01-2035	21,663.46	1,473.31	20,190.15	439,022.75

2035 TOTALS: 259,961.52 22,188.69 237,772.83

148	01-01-2036	21,663.46	1,455.48	20,207.98	418,814.77
149	02-01-2036	21,663.46	1,388.49	20,274.97	398,539.80
150	03-01-2036	21,663.46	1,236.03	20,427.43	378,112.37
151	04-01-2036	21,663.46	1,253.55	20,409.91	357,702.46
152	05-01-2036	21,663.46	1,147.63	20,515.83	337,186.63
153	06-01-2036	21,663.46	1,117.87	20,545.59	316,641.04
154	07-01-2036	21,663.46	1,015.89	20,647.57	295,993.47
155	08-01-2036	21,663.46	981.30	20,682.16	275,311.31
156	09-01-2036	21,663.46	912.73	20,750.73	254,560.58
157	10-01-2036	21,663.46	816.72	20,846.74	233,713.84
158	11-01-2036	21,663.46	774.83	20,888.63	212,825.21
159	12-01-2036	21,663.46	682.81	20,980.65	191,844.56

2036 TOTALS: 259,961.52 12,783.33 247,178.19

160	01-01-2037	21,663.46	636.02	21,027.44	170,817.12
161	02-01-2037	21,663.46	566.31	21,097.15	149,719.97
162	03-01-2037	21,663.46	448.33	21,215.13	128,504.84
163	04-01-2037	21,663.46	426.03	21,237.43	107,267.41
164	05-01-2037	21,663.46	344.15	21,319.31	85,948.10
165	06-01-2037	21,663.46	284.94	21,378.52	64,569.58
166	07-01-2037	21,663.46	207.16	21,456.30	43,113.28
167	08-01-2037	21,663.46	142.93	21,520.53	21,592.75
168	09-01-2037	21,664.34	71.59	21,592.75	0.00

2037 TOTALS: 194,972.02 3,127.46 191,844.56

TOTALS: 3,639,462.16 839,462.16 2,800,000.00

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

600 Quarrier Street, Charleston, WV 25301
P.O. Box 1386, Charleston, WV 25325-1386
304.347.1100

101 South Queen Street
Martinsburg, WV 25401

125 Granville Square, Suite 400
Morgantown, WV 26501

501 Avery Street
Parkersburg, WV 26101

Southpointe Town Center
1800 Main Street, Suite 200
Canonsburg, PA 15317

480 West Jubal Early Drive, Suite 130
Winchester, VA 22601

August 29, 2022

bowlesrice.com

City of Follansbee
872 Main Street
Follansbee, West Virginia 26037

WesBanco Bank, Inc.
1 Bank Plaza
Wheeling, West Virginia 26003

Re: City of Follansbee Sewer Revenue Bonds, Series 2022

Ladies and Gentlemen:

We have examined a record of the proceedings relating to the issuance of the Sewer Revenue Bonds, Series 2022 of the City of Follansbee, West Virginia (the "Issuer"), in the principal amount of \$2,800,000 dated on the date hereof, bearing interest from the date of delivery (the "Series 2022 Bonds"). The Series 2022 Bonds bear interest at the rate of 3.85% per annum and are represented by a single bond numbered R-1.

The Series 2022 Bonds have been authorized by a Bond Ordinance duly enacted by the Council of the Issuer on August 8, 2022, and put into effect following a public hearing held on August 25, 2022, as supplemented and amended by a Supplemental Resolution adopted on August 25, 2022, and the Certificate of Determinations executed in connection therewith on August 29, 2022 (collectively, the "Bond Ordinance").

The Bond Ordinance and the Series 2022 Bonds provide that the issue is for the purposes of refunding the Issuer's Construction Anticipation Note, Series 2020 A (West Virginia Water Development Authority), financing the costs of the design, acquisition, construction and equipping of certain additions, betterments and improvements to the existing public sewerage facilities of the City of Follansbee (the "Project") and paying costs of issuing the Series 2022 Bonds.

The Series 2022 Bonds have been awarded to WesBanco Bank, Inc. at par. With your permission, we have relied upon the opinion of Michael E. Gaudio, Esquire, the City Attorney for the Issuer, in rendering the opinions set forth herein.

City of Follansbee
WesBanco Bank, Inc.
August 29, 2022
Page 2

It is our opinion that:

1. The Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia with full power and authority to design, acquire, construct and equip the Project, to operate and maintain the sewerage system of the Issuer (the “System”) and issue and sell the Series 2022 Bonds, all under the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, (the “Act”) and other applicable provisions of law.

2. The Issuer has legally and effectively enacted and adopted the Bond Ordinance in connection with the Series 2022 Bonds and has sold and delivered the Series 2022 Bonds to WesBanco Bank, Inc.

3. The Series 2022 Bonds constitute valid and legally enforceable special obligations of the Issuer secured by and payable solely from a lien on and pledge of the net revenues of the System, all in accordance with the terms of the Series 2022 Bonds and the Bond Ordinance.

4. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed under the Code, however, with respect to certain corporations, interest on the Series 2022 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Series 2022 Bond for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Series 2022 Bonds set forth in the Bond Ordinance, and in certain certificates delivered in connection with the issuance of the Series 2022 Bonds. Failure to comply with such Code provisions or such representations, covenants and certifications could cause the interest on the Series 2022 Bonds to be includable in a holder’s gross income retroactive to the date of issuance of the Series 2022 Bonds. Except as described herein, we express no opinion regarding other state or federal tax consequences arising with respect to the Series 2022 Bonds other than as expressly set forth in paragraphs 5 and 6 below.

5. The Issuer has designated the Series 2022 Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code and has covenanted that it does not reasonably expect to issue, together with subordinate entities, more than \$10,000,000 of tax-exempt obligations (other than obligations excluded under Section 265(b)(3)(C)(ii) of the Code) during the calendar year 2022.

City of Follansbee
WesBanco Bank, Inc.
August 29, 2022
Page 3

6. The Series 2022 Bonds and the interest thereon are, pursuant to the Act, exempt from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

It is to be understood that the rights of the holders of the Series 2022 Bonds and the enforceability of the Series 2022 Bonds, the Bond Ordinance and liens and pledges set forth therein subject to and may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted (to the extent constitutionally applicable) and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,



BOWLES RICE LLP



CITY OF
FOLLANSBEE
WEST VIRGINIA

August 29, 2022

OFFICE OF THE CITY ATTORNEY
MICHAEL E. GAUDIO, Esq.
PO Box 516
Follansbee, WV 26037
(304) 527-1400

City of Follansbee
872 Main Street
Follansbee, West Virginia 26037

WesBanco Bank, Inc.
1 Bank Plaza
Wheeling, West Virginia 26003

RE: City of Follansbee Sewer Revenue Bonds, Series 2022

Ladies and Gentlemen:

I am the City Attorney for the City of Follansbee, a municipal corporation and political subdivision of the State of West Virginia, in Brooke County, West Virginia (the "Issuer"). As such counsel, I have examined (i) the Bond Ordinance duly enacted by the Council of the Issuer on August 8, 2022, and put into effect following a public hearing held on August 25, 2022, as supplemented and amended by a Supplemental Resolution adopted on August 25, 2022, and the Certificate of Determinations executed in connection therewith on August 29, 2022, authorizing the issuance of the 2022 Bonds (collectively, the "Ordinance"); (ii) other documents, papers, agreements, instruments, and certificates relating to the above-captioned bonds of the Issuer (the "Bonds"); and (iii) the Charter, oaths of office and other documents relating to the Issuer and its Council.

Based upon the foregoing and upon my examination of such other documents as I have deemed necessary, I am of the opinion as follows:

1. The Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia in Brooke County, West Virginia with full power and authority to design, acquire, construct, and equip the Project and to operate and maintain the sewerage system of the Issuer (the "System"), all under the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, (the "Act") and other applicable provisions of law.

2. The Mayor, City Manager, City Clerk, members of the Council of the Issuer, and members of the Sanitary Board of the Issuer have been duly, lawfully, and properly appointed and elected, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

FOLLANSBEE NEVER FAILS

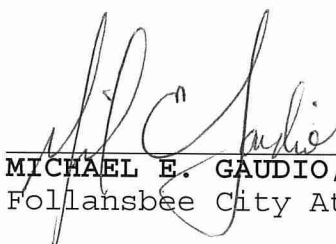
City of Follansbee
WesBanco Bank, Inc.
August 29, 2022
Page Two

3. To the best of my knowledge, the execution and delivery of the Bonds and the consummation of the transactions contemplated by the Bonds and the Ordinance, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under its Charter or any order, resolution, agreement, document, or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order, or decree to which the Issuer is subject.

4. The Issuer has received, or there have been entered, all permits, licenses, approvals, consents, exemptions, orders, certificates, and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the operation of the System, and the imposition of rates and charges, including, without limitation, all requisite orders, consents, certificates, and approvals from the Public Service Commission of West Virginia, and the Issuer has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of an ordinance prescribing such rates and charges.

5. To the best of my knowledge, there is no litigation, action, suit, proceeding, or investigation at law or in equity before or by any court, public board, or body, pending or threatened, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated by the Bonds, the Ordinance, the design, acquisition, construction, and equipping of the Project, the operation of the System, the validity of the Bonds, the collection of the Gross Revenues, or the pledge of the Net Revenues for the payment of the Bonds.

Sincerely,



MICHAEL E. GAUDIO, ESQ.
Follansbee City Attorney

pc: David A. Velegol, Jr., Mayor
Joseph DiBartolomeo, City Manager