THE CITY OF MORGANTOWN, WEST VIRGINIA

COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B (TAX EXEMPT)

CONFORMED BOND ORDINANCE

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THE CITY OF MORGANTOWN, WEST VIRGINIA

CONFORMED ORDINANCE

AN ORDINANCE AUTHORIZING THE DESIGN ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE POTABLE WATER PORTION AND STORMWATER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

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

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

WHEREAS, under the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to design, acquire, construct and equip extensions, additions, betterments and improvements for the Combined Utility System;

WHEREAS, the Issuer has determined that (A.) the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the Potable Water System (as hereinafter defined), specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir, and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of all or a portion of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements of certain water treatment plant assets, distribution lines, pump stations and storage tanks, specifically including, but not

limited to, automated meter reading equipment, and all necessary appurtenances, as determined by the Board; and (B.) the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the Stormwater System (as hereinafter defined), specifically including, but not limited to, stormwater piping, catchment structures, curbs and/or gutters, and all necessary appurtenances on Forrest Avenue, Valley View Avenue, Third Street and at Acorn Village/Tanglewood (collectively, the "Project"), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined to finance all or a portion of the costs of the Project through the issuance of its "The City of Morgantown, Combined Utility System Revenue Bonds, Series 2018 B", in the aggregate principal amount of not more than $50,000,000 (the "Series 2018 B Bonds");

WHEREAS, the Issuer has determined to enact this Ordinance to authorize the issuance of the Series 2018 B Bonds (the "Series 2018 B Ordinance"), such Series 2018 B Bonds to have such security and such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, Series 2018 B Bonds will be issued on a parity with the Prior Bonds and any Additional Parity Bonds (as hereinafter defined) with respect to their lien on and security interest in the Gross Revenues of the Combined Utility System, and the Series 2018 B Bonds shall contain such other terms and provisions as are hereinafter provided, all in the manner set forth herein; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City that its Series 2018 B Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, hereinafter defined;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF MORGANTOWN HEREBY ORDAINS:

ARTICLE I
DEFINITIONS, STATUTORY AUTHORITY, FINDINGS

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

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2018 B Bonds.

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

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

"Board" shall mean The City of Morgantown Utility Board, created by an ordinance of the Issuer, or any successor thereto, the authorized officer for which is the Board's General Manager.

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

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

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

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2018 B Bonds, shall initially mean the bond insurer, if any, named in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Series 2018 B Bonds.

"Bond Year" means with respect to each series of Series 2018 B Bonds the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2018 B Bonds, the Prior Bonds and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2018 B Bonds in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2018 B BONDS," attached hereto.

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

"City Clerk" or "Clerk" means the City Clerk of the Issuer.

"City Manager" means the City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2018 B Bonds for the proceeds representing the original purchase price thereof.

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

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

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

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

"Costs," "Costs of the Project" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation those costs set forth in Section 1.02C.

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

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

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any bank or national banking association, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issueror the Board as Depository Bank.

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

"DTC-eligible" means, with respect to the Series 2018 B Bonds, meeting the qualifications prescribed by DTC.

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

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

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

"Government Obligations" shall have the meaning set forth in the Supplemental Resolution.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the Combined Utility System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" include any gains from the sale or other

disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments, as hereinafter defined) or any Tap Fees (as hereinafter defined).

"Independent Certified Public Accountant" means the West Virginia State Tax Department or any licensed Certified Public Accountant or firm of licensed Certified Public Accountants that shall at any time hereafter be retained by the Issuer or the Board to prepare an independent annual or special audit of the accounts of the Combined Utility System or for any purpose except keeping the accounts of said Combined Utility System in the normal operations of its business and affairs, and specifically shall not include any Certified Public Accountant who is an employee of either the City or the Board.

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

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on then outstanding Bonds for the then current or any succeeding Fiscal Year.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by any Bond Insurer simultaneously with the delivery of the Series 2018 B Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2018 B Bonds, in accordance with the terms thereof.

"Municipal Bond Debt Service Reserve Insurance Policy" means, initially, a municipal bond debt service reserve insurance policy, and may, subsequently, mean a letter of credit, surety bond or other financial instrument.

"Net Proceeds" means the face amount of the Series 2018 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and less proceeds deposited in the Series 2018 B 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 2018 B Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses (as hereinafter defined).

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2018 B Bonds and is not acquired in order to carry out the governmental purpose of the Series 2018 B Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the Combined Utility System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs, fees and expenses of the Combined Utility System, fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds,

taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Ordinance" or "Bond Ordinance" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by supplemental resolution.

"Original Purchaser" means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2018 B Bonds directly from the Issuer, as determined by a resolution supplemental hereto.

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

"Paying Agent" means, initially, the West Virginia Municipal Bond Commission and any other paying agent for the Series 2018 B Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

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

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

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

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

"Project" means, collectively, the design, acquisition, construction and equipping of certain extensions, betterments and improvements to (A.) the Potable Water System (as hereinafter defined), specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir, and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of all or a portion of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements of certain water treatment plant assets, distribution lines, pump stations and storage tanks, specifically including, but not limited to, automated meter reading equipment, and all necessary appurtenances, as determined by the Board; and (B.) the Stormwater System (as hereinafter defined), specifically including, but not limited to, stormwater piping, catchment structures, curbs and/or gutters, and all necessary appurtenances on Forrest Avenue, Valley View Avenue, Third Street and at Acorn Village/Tanglewood.

"Purchase Price" for the purpose of computation of the Yield of the Series 2018 B Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2018 B Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2018 B Bonds of each maturity is sold or, if the Series 2018 B Bonds are privately placed, the price paid by the first buyer of the Series 2018 B Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2018 B Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2018 B Bonds.

"Qualified Investments" means and includes all investments permitted to be made by a municipality and political subdivision under the laws of the State, as enacted as of the date of enactment of this Bond Ordinance in West Virginia Code § 8-13-22a and 8-22-22a, and as may be amended or modified from time to time. In the event that the laws of the State would cease to provide guidance on permissible investments, the last applicable law of the State shall control such investments.

"Record Date" means the date or dates which shall be so stated in the Series 2018 B Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

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

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2018 B Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

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

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

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

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

"Series 2006 A Bonds" means the Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of $6,410,191.

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

"Series 2010 A Bonds" means the Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $37,950,000.

"Series 2010 B Bonds" means the Combined Utility System Revenue Bonds, Series 2010 B (West Virginia SRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $81,600.

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

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

"Series 2010 E Bonds" means the Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $100,000.

"Series 2010 F Bonds" means the Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $7,250,000.

"Series 2012 A Bonds" means the Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, dated August 24, 2012, issued in the original aggregate principal amount of $570,000.

"Series 2013 A Bonds" means the Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated August 22, 2013, issued in the original aggregate principal amount of $4,605,260.

"Series 2014 B Bonds" means the Combined Utility System Revenue Bonds, Series 2014 B, of the Issuer, dated July 13, 2014, issued in the original aggregate principal amount of $505,421.

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

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

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

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

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

"Series 2016 A Bonds" means the Combined Utility System Revenue Bonds, Series 2016 A, of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $69,755,000.

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

"Series 2016 B-2 Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green), of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $500,000. Pursuant to the terms and conditions of the Series 2016 B-2 Bonds, the outstanding principal of the Series 2016 B-2 Bonds is forgiven by the holder thereof on the last day of the Fiscal Year in which such principal is advanced. No repayment of any principal of the Series 2016 B-2 Bonds will occur and the Series 2016 B-s Bonds do not bear any interest. The Series 2016 B-2 Bonds are not secured by any lien on the Gross Revenues of the Combined Utility System.

"Series 2017 A Bonds" means the Combined Utility System Revenue Bonds, Series 2017 A (Bank Qualified), dated December 21, 2017, issued in the original aggregate principal amount of $2,695,000.

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

"Series 2018 B Bonds" means the Combined Utility System Revenue Bonds, Series 2018 B of the Issuer, authorized to be issued in the aggregate principal amount of not more than $50,000,000 pursuant to this Ordinance and the Supplemental Resolution.

"Series 2018 B Bonds Construction Fund" means the Series 2018 B Bonds Construction Fund created by Section 4.01 hereof.

"Series 2018 B Bonds Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2018 B Bonds Redemption Account" means the Redemption Account created in the Series 2018 B Bonds Sinking Fund by Section 4.02 hereof.

"Series 2018 B Bonds Reserve Account" means the Series 2018 B Bonds Reserve Account created in the Series 2018 B Bonds Sinking Fund by Section 4.02 hereof.

"Series 2018 B Bonds Sinking Fund" means the Series 2018 B Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2018 B Bonds Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2018 B Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2018 B Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2018 B Bonds.

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

"State" means the State of West Virginia.

"Stormwater System" means, collectively, the stormwater management and conveyance facilities of the Combined Utility System which specifically includes, but is not limited to, pipe, culverts, channels and watercourses, as presently existing in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereinafter acquired, constructed, or equipped for the Stormwater System, located both within, and outside of, the Issuer's corporate boundaries.

"Supplemental Resolution" means, collectively, any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Supplemental Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Bond Insurer provisions (if any) and other terms of the Series 2018 B Bonds and authorizing the sale of the Series 2018 B Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2018 B Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

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

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

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

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

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

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

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

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

B. The Issuer presently owns and operates, through the Board, a public combined potable waterworks, sanitary sewerage, and stormwater, collectively the "Combined Utility System". It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the potable water supply for all customers of the Combined Utility System, that there be designed, acquired constructed and equipped certain extensions, additions, betterments and improvements to the Potable Water System and Stormwater System of the Combined Utility System, specifically the Project.

C. It is deemed necessary for the Issuer to issue its Combined Utility System Revenue Bonds, Series 2018 B, in the aggregate principal amount of not more than $50,000,000, to permanently finance all or a portion of the costs of design, acquisition, construction and equipping of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2018 B Bonds prior to and during acquisition, construction and/or equipping and for a period not exceeding 6 months after completion of acquisition, construction and equipping of the Project; amounts which may be deposited in the Series 2018 B Bonds Reserve Account; underwriter's discount, engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses; commitment fees; the premium for a Municipal Bond Insurance Policy; the premium for a Municipal Bond Debt Service Reserve Insurance Policy; letter of credit fees; discount; initial fees for the services of

registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2018 B 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 2018 B Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

D. The period of usefulness of the Combined Utility System after completion of the Project is not less than 40 years.

E. It is in the best interests of the Issuer that the Series 2018 B Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by Supplemental Resolution of the Issuer.

F. There are or will be outstanding obligations of the Issuer which will rank on a parity with the Series 2018 B Bonds as to liens, pledge, source of and security for payment, being the Issuer's Prior Bonds and any hereinafter issued Additional Parity Bonds, as provided in this Ordinance.

Prior to the issuance of the Series 2018 B Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 2000 A Bonds, Series 2000 B Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 B-1 Bonds and Series 2018 A Bonds to the issuance of the Series 2018 B Bonds on a parity with the Series 1992 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 B-1 Bonds and Series 2018 A Bonds. The Series 2010 A Bonds, Series 2010 F Bonds, Series 2014 B Bonds and Series 2016 A Bonds, and Series 2017 A Bonds do not require written consent from the holders thereof.

Other than the Prior Bonds, there are no other presently outstanding bonds or obligations of the Issuer which are secured by Gross Revenues or assets of the Combined Utility System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

G. The Issuer intends to issue the Series 2018 B Bonds, and to pledge for payment thereof, the Gross Revenues of the Combined Utility System, on a parity with one another and on a parity with such pledge in favor of the Holders of the Prior Bonds and any hereinafter issued Additional Parity Bonds.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the Combined Utility System will be sufficient to provide for the repair, maintenance and operation of the Combined Utility System, to pay the principal of and interest on the Series 2018 B Bonds and the Prior Bonds as and when it becomes due and reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2018 B Bonds, and secure the Series 2018 B Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the Combined Utility System, the monies in the Series 2018 B Bonds Sinking Fund, including the Series 2018 B Bonds Reserve Account therein, unexpended proceeds of the Series 2018 B Bonds and as further set forth herein.

J. The Series 2018 B Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in "EXHIBIT A – FORM OF SERIES 2018 B BONDS" attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K. All things necessary to make the Series 2018 B Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2018 B Bonds, will be timely done and duly performed.

L. The enactment of this Ordinance, the execution and issuance of the Series 2018 B Bonds and the amendment, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. Prior to construction, the Issuer will have complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the Combined Utility System and issuance of the Series 2018 B Bonds including but not limited to Chapter 24, Article 2, Paragraph 11 (l).

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2018 B Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Series 2018 B Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2018 B Bond and any other Series 2018 B Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01 Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not more than $55,000,000, of which up to $50,000,000 will be obtained from the proceeds of the Series 2018 B Bonds.

ARTICLE III
THE SERIES 2018 B BONDS

Section 3.01 Form and Payment of Bonds. No Series 2018 B Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2018 B Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2018 B Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2018 B Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2018 B Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2018 B Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2018 B Bonds shall be in default, Bonds issued in exchange for Series 2018 B Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2018 B Bonds surrendered.

The principal of, and the interest and premium, if any, on, the Series 2018 B Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2018 B Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2018 B Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2018 B Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Series 2018 B Bond in the principal amount of said Series 2018 B Bond then Outstanding.

Section 3.02. Execution of the Series 2018 B Bonds. The Series 2018 B Bonds shall be executed in the name of the Issuer by the Mayor, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2018 B Bonds shall cease to be such officer of the Issuer before the Series 2018 B Bonds so signed and sealed have been actually sold and delivered, such Series 2018 B Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2018 B Bonds had not ceased to hold such office. Any Series 2018 B Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Series 2018 B Bonds shall hold the proper office in the City, although at the date of such Series 2018 B Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2018 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2018 B Bond, substantially in the form set forth in "EXHIBIT A – FORM OF SERIES 2018 B BONDS" attached hereto and incorporated herein by reference with respect to the Series 2018 B Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2018 B Bond shall be conclusive evidence that such Series 2018 B Bond has been authenticated,

registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2018 B Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2018 B Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2018 B Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2018 B Bonds, in accepting any of said Series 2018 B Bonds, shall be conclusively deemed to have agreed that such Series 2018 B Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2018 B Bonds shall further be conclusively deemed to have agreed that said Series 2018 B Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2018 B Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2018 B Bonds. The Series 2018 B Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2018 B Bond, there shall be issued at the option of the Holder of the Series 2018 B Bonds or the transferee another Series 2018 B Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Series 2018 B Bond and of the same series, interest rate and maturity of said transferred Series 2018 B Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2018 B Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Series 2018 B Bonds, of the same maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2018 B Bond is exercised, Series 2018 B Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2018 B Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2018 B Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2018 B Bonds, the Registrar may impose a service charge. For every such transfer or exchange of Series 2018 B Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2018 B Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2018 B Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Series 2018 B Bond of like series, maturity and principal amount as the Series 2018 B Bond, so mutilated, destroyed, stolen or lost, in exchange and

upon surrender and cancellation of, such mutilated Series 2018 B Bond, or in lieu of and substitution for the Series 2018 B Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Series 2018 B Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2018 B Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Series 2018 B Bond shall have matured or be about to mature, instead of issuing a substitute Series 2018 B Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Series 2018 B Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Series 2018 B Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2018 B Bonds be at any time found by any one, and such duplicate Series 2018 B Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued as part of the Series 2018 B Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2018 B Bonds Redemption Account in accordance with Section 4.03 shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2018 B Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

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

3. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2018 B Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2018 B Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2018 B Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2018 B Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail or electronic transmission at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer and the registered owner of the Series 2018 B Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2018 B Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

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

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all Outstanding Series 2018 B Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2018 B Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Series 2018 B Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Series 2018 B Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar, and

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

If funds sufficient to redeem all Series 2018 B Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is conditioned on, and subject to, the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2018 B Bonds called for redemption of such fact and no holder of any Series 2018 B Bonds shall have any claim of any type, of law or in equity, against the Issuer.

Official notice of redemption having been given as aforesaid, the Series 2018 B Bonds, or portions of the Series 2018 B Bonds so to be redeemed, shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2018 B Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such Bond. All Series 2018 B Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2018 B Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Series 2018 B Bond is registered as the owner of such Series 2018 B Bond for the purpose of receiving payment of the principal of, and interest on, such Series 2018 B Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Series 2018 B Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 2018 B Bonds. For the purposes of paying all or a portion of the costs of the Project, capitalizing interest on the Series 2018 B Bonds, paying the premium for a Municipal Bond Insurance Policy, funding the Series 2018 B Bonds Reserve Account with proceeds of the Series 2018 B Bonds or paying the premium for a Municipal Bond Debt Service Reserve Insurance Policy, in an amount equal to the Series 2018 B Bonds Debt Service Reserve Requirement and paying costs in connection with the issuance of the Series 2018 B Bonds, or any or all such purposes, there shall be issued the Series 2018 B Bonds of the Issuer, in an aggregate principal amount of not more than $50,000,000. Said Series 2018 B Bonds shall be designated "Combined Utility System Revenue Bonds,

Series 2018 B" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in the Supplemental Resolution, and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2018 B Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2018 B Bonds shall be numbered from BR-1 consecutively upward. The Series 2018 B Bonds shall be dated; shall be in such aggregate principal amount (not to exceed $50,000,000); shall bear interest at such rate or rates, (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 35 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2018 B Bonds. A. The Series 2018 B Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2018 B Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2018 B Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2018 B Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2018 B Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2018 B Bond or any other evidence of ownership of the Series 2018 B Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2018 B Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2018 B Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2018 B Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2018 B Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of, or interest on, the Series 2018 B Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2018 B Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2018 B Bonds so redeemed, but DTC may retain such Series 2018 B Bonds and make an appropriate notation on the Series 2018 B Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2018 B Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2018 B Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2018 B Bonds, selecting the Series 2018 B Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2018 B

Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2018 B Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2018 B Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2018 B Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2018 B Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2018 B Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2018 B Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2018 B Bonds. In either of such events (unless in the case described in clause (iii) above, the Issuer appoints a successor securities depository), the Series 2018 B Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2018 B Bonds.

Section 3.12. Delivery of Series 2018 B Bonds. A. The Issuer shall execute and deliver the Series 2018 B Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2018 B Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2018 B Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2018 B Bonds to DTC for the benefit of the Original Purchaser;

(3) Copies certified by the City Clerk of this Ordinance and the Supplemental Resolution;

(4) The unqualified approving opinion upon the Series 2018 B Bonds by Bond Counsel; and

(5) Such other opinions, certificates and documents as shall be reasonably requested by the Original Purchaser.

Section 3.13. Form of Series 2018 B Bonds. The definitive Series 2018 B Bonds shall be in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2018 B BONDS" attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2018 B Bonds on behalf of the Issuer

and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2018 B Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2018 B Bonds. Upon the issuance and delivery of the Series 2018 B Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2018 B Bonds from the date thereof to the date of delivery thereof, if any, shall be deposited in the Series 2018 B Bonds Sinking Fund and applied to payment of interest on the Series 2018 B Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2018 B Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer.

3. An amount of the proceeds of the Series 2018 B Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2018 B Bonds Reserve Account; provided, that to the extent the Series 2018 B Bonds Reserve Requirement is satisfied in whole or in part from a Municipal Bond Debt Serve Reserve Insurance Policy, proceeds of the Series 2018 B Bonds shall be (i) paid to the Bond Insurer, via wire transfer, in an amount equal to the premium for the Municipal Bond Debt Service Reserve Insurance Policy and (ii) deposited in the Series 2018 B Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2018 B Bonds Reserve Requirement.

4. The amount of Series 2018 B Bond proceeds which, together with other monies or securities deposited therein, shall be equal to the Costs of Issuance of the Series 2018 B Bonds shall be deposited with the Depository Bank in the Series 2018 B Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2018 B Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2018 B Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2018 B Bonds Construction Fund established in Section 4.01 hereof and applied to Costs of the Project. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2018 B Bonds from which such proceeds are derived.

5. The balance of Series 2018 B Bonds proceeds, if any, shall be deposited in the Series 2018 B Bonds Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Series 2018 B Bonds Construction Fund. Disbursements from the Series 2018 B Bonds Construction Fund, except for payment of Costs of Issuance of the Series 2018 B Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Issuer, shall be made only for design, acquisition, construction and equipping of the Project, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2018 B Bonds Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the direction of the Board.

ARTICLE IV
COMBINED UTILITY SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other (except as set forth in this Section 4.01), and used solely for the purposes provided herein:

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

(2) Depreciation Fund (established by the Prior Ordinances);

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

(4) Series 2018 B Bonds Construction Fund; and

(5) Series 2018 B Bonds Cost of Issuance Fund.

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

(1) Series 1992 Bonds Sinking Fund (established by Prior Ordinances);

(2) Series 1992 Bonds Reserve Account established by Prior Ordinances);

(3) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);

(4) Series 2000 A Bonds Reserve Account established by Prior Ordinances);

(5) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances);

(6) Series 2000 B Bonds Reserve Account established by Prior Ordinances);

(7) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);

(8) Series 2006 A Bonds Reserve Account established by Prior Ordinances);

(9) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);

(10) Series 2007 A Bonds Reserve Account established by Prior Ordinances);

(11) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);

(12) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);

(13) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);

(14) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);

(15) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);

(16) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);

(17) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);

(18) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);

(19) Series 2010 F Bonds Sinking Fund (established by Prior Ordinances);

(20) Series 2010 F Bonds Reserve Account (established by Prior Ordinances);

(21) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);

(22) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);

(23) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);

(24) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);

(25) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances);

(26) Series 2014 B Bonds Reserve Account (established by Prior Ordinances);

(26) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances);

(28) Series 2015 A Bonds Reserve Account (established by Prior Ordinances);

(29) Series 2015 B Bonds Sinking Fund (established by Prior Ordinances);

(30) Series 2015 B Bonds Reserve Account (established by Prior Ordinances);

(31) Series 2015 C Bonds Sinking Fund (established by Prior Ordinances);

(32) Series 2015 C Bonds Reserve Account (established by Prior Ordinances);

(33) Series 2015 D Bonds Sinking Fund (established by Prior Ordinances);

(34) Series 2015 D Bonds Reserve Account (established by Prior Ordinances);

(35) Series 2015 E Bonds Sinking Fund (established by Prior Ordinances);

(36) Series 2015 E Bonds Reserve Account (established by Prior Ordinances);

(37) Series 2016 A Bonds Sinking Fund (established by Prior Ordinances);

(38) Series 2016 A Bonds Reserve Account (established by Prior Ordinances);

(39) Series 2016 B-1 Bonds Sinking Fund (established by Prior Ordinances);

(40) Series 2016 B-1 Bonds Reserve Account (established by Prior Ordinances);

(41) Series 2017 A Bonds Sinking Fund (established by Prior Ordinances);

(42) Series 2017 A Bonds Reserve Account (established by Prior Ordinances);

(43) Series 2018 A Bonds Sinking Fund (established by Prior Ordinances);

(44) Series 2018 A Bonds Reserve Account (established by Prior Ordinances);

(45) Series 2018 B Bonds Sinking Fund; and

(46) Series 2018 B Bonds Reserve Account

Section 4.03. Combined Utility System Revenues and Application Thereof. So long as any of the Series 2018 B Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

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

(1) The Issuer shall first, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to for payment of interest on the Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2016 A Bonds, Series 2016 B-1 Bonds and Series 2017 A Bonds; and (ii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2018 B Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2018 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2018 B Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2018 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2018 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2018 B Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2018 B Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2018 B Bonds Sinking Fund.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Sinking Funds for the Prior Bonds for the payment of principal of the Prior Bonds; and (ii) for deposit in the Series 2018 B Bonds Sinking Fund (and in the Series 2018 B Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of

each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2018 B Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2018 B Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2018 B Bonds on the next ensuing principal payment or mandatory Redemption Date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2018 B Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2018 B Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2018 B Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Reserve Accounts for the Prior Bonds; and (ii) if not funded upon issuance of the Series 2018 B Bonds with Series 2018 B Bond proceeds or with a Debt Service Reserve Insurance Policy, for deposit in the Series 2018 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2018 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2018 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2018 B Bonds Reserve Requirement; provided further, that if the amounts in the Series 2018 B Bonds Reserve Account, as a result of a decrease in value of the Series 2018 B Bonds Reserve Account below the Series 2018 B Bonds Reserve Account Requirement or any withdrawal from the Series 2018 B Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2018 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2018 B Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2018 B Bonds Reserve Account is less than the Series 2018 B Bonds Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2018 B Bonds Reserve Account for deposit into the Series 2018 B Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2018 B Bonds Reserve Account to an amount equal to the Series 2018 B Bond Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2018 B Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2018 B Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2018 B Bonds Reserve Account whenever and as long as the amount deposited therein, or the Municipal Bond Debt Service Reserve Insurance Policy pledged thereto, shall be equal to the Series 2018 B Bond Reserve Account Requirement.

Amounts deposited in, or pledged to, the Series 2018 B Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2018 B Bonds when due, when amounts in the Series 2018 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

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

(5) The Issuer shall next, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2.5% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Ordinances so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, or improvements or extensions to the Combined Utility System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such Reserve Account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2018 B Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2018 B Bonds, if any, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

D. Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2018 B Bonds, and any hereinafter issued Additional Parity Bonds all in accordance with the respective principal amounts then Outstanding.

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

Section 5.01. Investments. The Issuer, through the Board, shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

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

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

(A) Qualified Investments acquired for the Series 2018 B Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer, through the Board, shall, or shall cause the Bond Commission to, annually transfer from the Series 2018 B Bonds Reserve Account to the Series 2018 B Bonds Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2018 B Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2018 B Bonds Reserve Account an amount at least equal to the Series 2018 B Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2018 B Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If no longer funded with a Municipal Bond Debt Service Reserve Insurance Policy equal to the Series 2018 B Bonds Reserve Requirement and the amounts on deposit in the Series 2018 B Bonds Reserve Account shall, at any time, be less than the applicable Series 2018 B Bonds Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the respective sinking funds for the Prior Bonds and the Series 2018 B Bonds Sinking Fund and otherwise in accordance with Section 4.03(3).

(E) All amounts representing accrued and capitalized interest, if any, shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2018 B Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(F) Notwithstanding the foregoing, all monies deposited in the Series 2018 B Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the Issuer hereby

instructs the Mayor to take all actions necessary for the Issuer to comply with the continuing disclosure agreement.

Section 5.03. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2018 B Bonds in such manner and to such extent as may be necessary, so that such Series 2018 B Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Series 2018 B Bonds) so that the interest on the Series 2018 B 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 5.04. Tax Certificate, Rebates, and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2018 B Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2018 B Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the Combined Utility System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefore. The Issuer at its expense may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.04. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.04 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2018 B Bonds from gross income for federal income tax purposes.

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2018 B Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2018 B Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2018 B Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. The Series 2018 B Bonds not to be Indebtedness of the Issuer. The Series 2018 B Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the Combined Utility System, the monies in the Series 2018 B Bonds Sinking Fund and all accounts therein, the unexpended proceeds of the Series 2018 B Bonds or monies in the Series 2018 B Bonds Construction Fund, if any, all as herein provided. No Holder or Holders of any Series 2018 B Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2018 B Bonds or the interest thereon.

Section 6.03. Series 2018 B Bonds Secured by Pledge of Gross Revenues and Monies in Series 2018 B Bonds Sinking Fund. The payment of the debt service of all of the Series 2018 B Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the Combined Utility System on a parity with one another and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds and any hereinafter issued Additional Parity Bonds, and with respect to the Series 2018 B Bonds, all monies and securities in the Series 2018 B Bonds Sinking Fund, including the Series 2018 B Bonds Reserve Account therein, to the extent necessary to make the payments required under Section 4.03. The Gross Revenues derived from the Combined Utility System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, the Series 2018 B Bonds, and any hereinafter issued Additional Parity Bonds, and to make the payments into the Series 2018 B Bonds Sinking Fund, including the Series 2018 B Bonds Reserve Account therein, are pledged *pari passu* by the Issuer.

Section 6.04. Rates. Equitable rates or charges for the use of and service rendered by the Combined Utility System have been established all in the manner and form required by law. Copies of such rates and charges so established may be obtained from the Board by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the Combined Utility System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the Combined Utility System (i) to provide for all Operating Expenses of the Combined Utility System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such Gross Revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the Combined Utility System within 120 days following a determination of an Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

The Issuer expressly reserves the right to reduce the rates for the Combined Utility System, whether approved or in effect as of the date of issuance of the Series 2018 B Bonds, in the event that, based on a certificate of an Independent Certified Public Accountant, after any such decrease in rates, the Issuer will meet the requirements of this Section 6.04 and is not in default under any other provision of any ordinance authorizing any bonds or other indebtedness secured by the Gross Revenues of the Combined Utility System.

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

The Issuer either has, or will, obtain all permits required by state and federal laws for the acquisition, construction and equipping of the Project.

Section 6.06. Sale of the Combined Utility System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the Combined Utility System, except as provided by the Prior Ordinances. Additionally, so long as the Series 2018 B Bonds are Outstanding, the Combined Utility System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the Combined Utility System shall be immediately remitted to the Bond Commission for deposit in the Series 2018 B Bonds Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Revenues of the Combined Utility System.

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

such sale, lease or other disposition of such property, in excess of $5,000,000 and not in excess of $10,000,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the Combined Utility System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $10,000,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of (i) any applicable Bond Insurer, or (ii) if the Series 2018 B Bonds are not insured, the Holders, or their duly authorized representatives, of 60% in an amount of Series 2018 B Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer or the then Holders of the Series 2018 B Bonds for the disposition of the proceeds from the sale, lease or other disposition of such properties of the Combined Utility System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, payable from the Gross Revenues of the Combined Utility System which rank prior to, or equally, as to lien on and source of and security for payment from the Gross Revenues with the Series 2018 B Bonds and the Prior Bonds; and all obligations hereafter issued by the Issuer payable from the Gross Revenues of the Combined Utility System, except such Additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such Gross Revenues and in all other respects to the Series 2018 B Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2018 B Bonds, upon any of the income and revenues of the Combined Utility System pledged for payment of the principal of, and interest on the Series 2018 B Bonds in this Ordinance or upon the Combined Utility System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds are outstanding the limitations on the issuance of parity obligations set forth in the Prior Ordinances authorizing such bonds shall be applicable. In addition, no Additional Parity Bonds, as in this section defined, payable out of the Gross Revenues of the Combined Utility System shall be issued after the issuance of the Series 2018 B Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition, construction and/or equipping of additions, betterments and/or improvements for the Combined Utility System, refunding all or a portion of one or more series of the Series 2018 B Bonds and/or the Prior Bonds, refunding all or a portion of any series of Additional Parity Bonds hereinafter issued, paying claims which may exist against the revenues or facilities of the Combined Utility System, or all of such purposes.

No such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Certified Public Accountant reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the Combined Utility System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the date of issuance

of such Additional Parity Bonds, shall be not less than 115% of the Maximum Annual Debt Service on the following:

(1) The Series 2018 B Bonds then Outstanding;

(2) The Prior Bonds then Outstanding;

(3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

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

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

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

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean evidence of indebtedness, specifically including, but not limited to, bonds and notes issued under the provisions and within the limitations of the Act and this section, payable from the Gross Revenues of the Combined Utility System on a parity with the Series 2018 B Bonds and the Prior Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2018 B Bonds and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the Combined Utility System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the Combined Utility System of which is subordinate to the lien of the Series 2018 B Bonds, the Prior Bonds and any theretofore issued Additional Parity Bonds on such Gross Revenues (hereinafter "Subordinate Bonds"). Nothing contained in this Ordinance shall be deemed to limit or restrict the ability of the Issuer to issue Subordinate Bonds. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the Combined Utility System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Revenues with the Series 2018 B Bonds except in the manner and under the conditions provided in this section.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Series 2018 B Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in this Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2018 B Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense of the Combined Utility System, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation covering the following risks and in the following amounts:

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

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

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

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

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

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

The Issuer and/or the Board shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract with such contractor as security for the faithful performance of such contract.

The Issuer and/or the Board shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project.

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

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

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

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the Combined Utility System.

Section 6.13. Books and Records. The Board will keep books and records of the Combined Utility System, which shall be separate and apart from all other books, records and accounts of the Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the Combined Utility System. Any Holder of a Series 2018 B Bond shall have the right at all reasonable times to inspect the Combined Utility System, and all parts thereof, and all records, accounts and data of the Board relating thereto.

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

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

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

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

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

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2018 B Bonds, a statutory mortgage lien upon the Combined Utility System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2018 B Bonds and shall be on a parity with all series of the Series 2018 B Bonds and with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2018 B Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2018 B Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2018 B 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 2018 B Bonds during the terms thereof is, under the terms of such Series 2018 B 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 2018 B Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Combined Utility System, or if the Series 2018 B Bonds are for the purpose of financing more than one project, a portion of the Combined Utility System, and shall not exceed the proceeds used for the governmental use of that portion of the Combined Utility System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2018 B Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2018 B 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 2018 B 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 2018 B Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. Without limiting the generality of the foregoing, the Issuer agrees to comply with the provisions of the Tax Certificate, which are hereby incorporated herein. This covenant shall survive payment in full or defeasance of the Series 2018 B Bonds.

Section 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer may obtain a Municipal Bond Insurance Policy for all, or certain maturities, of the Series 2018 B Bonds. In the event such Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2018 B Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2018 B Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.19. Covenants Regarding the Municipal Bond Debt Service Reserve Insurance Policy. The Issuer may obtain a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 B Bonds Debt Service Reserve Account in an amount equal to the Series 2018 B Bonds Reserve Requirement. In the event such Municipal Bond Debt Service Reserve Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2018 B Bonds, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

In the event that the Issuer does not obtain a Municipal Bond Debt Service Reserve Insurance Policy contemporaneously with the issuance of the Series 2018 B Bonds, the Issuer may , so long as the Series 2018 B Bonds are outstanding, via the adoption of a Supplemental Resolution, fund the Series 2018 B Bonds Reserve Account with a Municipal Bond Debt Service Reserve Insurance Policy in an amount equal to the Series 2018 B Bonds Reserve Requirement and any additional covenants of the Issuer required by the Bond Insurer shall be set forth in such Supplemental Resolution, shall apply to the Series 2018 B Bonds, and shall be controlling in the event any other provisions of the Ordinance or any other Supplemental Resolution may be in conflict therewith.

Section 6.20. Continuing Disclosure Agreement. The Issuer shall deliver a Continuing Disclosure Agreement, Dissemination Agent Agreement or Continuing Disclosure Certificate in form acceptable to the Original Purchaser, the form of which shall be approved by the Supplemental Resolution, sufficient to ensure compliance with Rule 15c2-12, as it may be amended from time to time, and the Mayor is authorized and directed to execute and deliver such Continuing Disclosure Agreement on behalf of the Issuer, with such changes as the Mayor shall approve, such approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by the Mayor. The Mayor, City Manager and Clerk are further authorized to take all actions necessary for the Issuer to comply with the Continuing Disclosure Agreement.

Section 6.21 Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2018 B Bonds shall be and the same is hereby approved. The Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Mayor is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2018 B Bonds and as the Mayor may approve (the "Official Statement"). The execution of the Official Statement by the Mayor shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.22. Bond Purchase Agreement. The Series 2018 B Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2018 B Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2018 B Bond; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or Supplemental Resolution or in the Series 2018 B Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Bond Insurer; or

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

(D) If default occurs with respect to the Prior Bonds, the Prior Ordinances or any hereinafter issued Additional Parity Bonds or the respective ordinance authorizing the any hereinafter issued Additional Parity Bonds.

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

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

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

(C) Bring suit upon the Series 2018 B Bonds, as applicable;

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

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

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute, all pro rata, with respect to the Prior Bonds and the Series 2018 B Bonds, in accordance with the respective principal amounts then Outstanding.

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

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

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the Combined Utility System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Series 2018 B Bonds and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the Combined Utility System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Series 2018 B Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Gross Revenues of the Combined Utility System shall have been paid and made good, and all defaults under the provisions of this Ordinance and any Supplemental Resolution shall have been cured and made good, and all monies due hereunder or under any Supplemental Resolution have been paid in full, possession of the Combined Utility System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the Combined Utility System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Holders of the Series 2018 B Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the Combined Utility System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the Combined Utility System, for the sole purpose of the protection of both the Issuer and the Holders of the Series 2018 B Bonds, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said Combined Utility System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the Combined Utility System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Holders of the Series 2018 B Bonds will be adversely affected by any action taken pursuant to the

terms and provisions of this Ordinance, any trustee or Bondholder's committee representing the Holders of the Series 2018 B Bonds shall consider the effect on the Holders of the Series 2018 B Bonds as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Holders of the Series 2018 B Bonds. In case any Holder of the Series 2018 B Bonds shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Holder of the Series 2018 B Bonds shall be restored to their former positions and rights hereunder, and all rights and remedies of such Holder of the Series 2018 B Bonds shall continue as if no such proceedings had been taken.

ARTICLE VIII
REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2018 B Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2018 B Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2018 B Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2018 B Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

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

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2018 B Bonds, the first exchange of Series 2018 B Bonds and the exchange of Series 2018 B Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2018 B Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the

Series 2018 B Bonds, or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2018 B Bonds Outstanding.

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

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer or by the Holders of a majority in principal amount of the Series 2018 B Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the applicable Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided, that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2018 B Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within twenty (20) days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within forty-five (45) days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

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

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted, or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any

public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Series 2018 B Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The West Virginia Municipal Bond Commission shall initially serve as Paying Agent as required by the Act. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2018 B Bonds shall be and remain DTC-Eligible.

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

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within thirty (30) days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

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

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

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

ARTICLE IX
DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2018 B Bonds the

principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Gross Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2018 B Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2018 B Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2018 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2018 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2018 B Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Series 2018 B Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2018 B Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Series 2018 B Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X
MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2018 B Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2018 B Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Holder of the Series 2018 B Bonds or other person, be amended, modified or supplemented in any manner which, in the written opinion of Bond Counsel, does not materially adversely affect the interests of the Holder of the Series 2018 B Bonds or any Bond Insurer; provided, that in the event any of the Series 2018 B Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Series 2018 B Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made (i) without the written consent of the Holders of 60% in aggregate principal amount of the Series 2018 B Bonds then Outstanding and affected thereby; or (ii) the Bond Insurer. No such modification or amendment shall extend the maturity of or

reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2018 B Bond without the express written consent of the Holder of such Series 2018 B Bond, nor reduce the percentage of Series 2018 B Bonds required for consent to any such modification or amendment.

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

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

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

C. The amount of fully registered Series 2018 B Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Series 2018 B Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

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

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

Section 10.04. Cancellation of Bonds. All Series 2018 B Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Series 2018 B Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2018 B Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

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

ISSUER

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

With copy to:

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

REGISTRAR

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

PAYING AGENT

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

DEPOSITORY BANK

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

ORIGINAL PURCHASER

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

BOND INSURER

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

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

Section 10.07. No Personal Liability. No member of the Council, the Board or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any of the Series 2018 B Bonds, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2018 B Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2018 B Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2018 B Bonds, the Bond Insurer and the Original Purchaser.

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

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

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

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Dominion Post*, a newspaper published and having a general circulation in The City of Morgantown, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2018 B Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 3rd day of January, 2017, at 7:00 p.m., in the Council Chambers of the City Hall, Morgantown and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

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

First Reading: December 6, 2016

Second Reading: December 20, 2016

Effective following
Public Hearing held on: January 3, 2017

THE CITY OF MORGANTOWN



Mayor

[SEAL]

ATTEST:



City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of THE CITY OF MORGANTOWN at a regular meeting of the City Council held on January 3, 2017, as supplemented by Supplemental Resolution duly adopted June 5, 2018.

Dated this 28th day of June, 2018.

[SEAL]

Linda L Tucker
City Clerk

EXHIBIT A – FORM OF SERIES 2018 B BONDS

[DTC Legend]

No. BR-_____

$_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a

default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the Costs of design, acquisition, construction and equipping of the Project; (ii) [to pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2018 B Bonds;] (iii) [to fund a reserve account for the Series 2018 B Bonds/to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds] in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iv) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on February 2, 2016, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

[The Series 2018 B Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Bond Insurer].]

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

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

(2) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 B (WEST

VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,488,000 (THE "SERIES 2000 B BONDS");

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

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

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

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

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

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

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

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE

ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,586 (THE "SERIES 2015 B BONDS");

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

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

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

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A1 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

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

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Series 2018 B Bonds maturing on _____, 20_____ and 20_____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of

the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 1, 20

Year (1) Principal Amount

---

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to

pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, [pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of and interest on the Series 2018 B Bonds], [fund a reserve account for the Series 2018 B Bonds/pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy] in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

[Manual or facsimile signature]
Mayor

ATTEST:

[Manual or facsimile signature]
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: _____, 2018.

_____,
As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

The City of Morgantown

Combined Utility System Revenue Bonds, Series 2018 B

SUPPLEMENTAL PARAMETERS RESOLUTION

SUPPLEMENTAL RESOLUTION RE-DESIGNATING THE PREVIOUSLY AUTHORIZED COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A (TAX EXEMPT) AS COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B; PROVIDING PARAMETERS AS TO THE PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B OF THE CITY OF MORGANTOWN; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE ORIGINAL PURCHASER; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, A REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT, A TAX COMPLIANCE POLICY, A CONTINUING DISCLOSURE POLICY, AND OTHER INSTRUMENTS RELATING TO THE BONDS; AUTHORIZING THE PURCHASE OF A MUNICIPAL BOND INSURANCE POLICY AND/OR MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND AMENDMENT AND/OR MODIFICATION OF THE ORDINANCE TO COMPLY THEREWITH; APPOINTING A REGISTRAR, PAYING AGENT AND DISSEMINATION AGENT FOR SUCH BONDS; APPROVING A CONFORMED ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

WHEREAS, the Governing Body has duly and officially enacted on January 3, 2017, an Ordinance entitled:

AN ORDINANCE AUTHORIZING THE DESIGN ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE POTABLE WATER PORTION OF THE EXISTING COMBINED UTILITY

SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

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

WHEREAS, the above-described Ordinance provides for the issuance by the Issuer of its Combined Utility System Revenue Bonds, Series 2017 A (Tax-Exempt) in an aggregate principal amount not to exceed $50,000,000, in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act") for the purposes of financing a portion of the Costs of the Project, as defined in the Series 2018 B Ordinance (as hereinafter defined);

WHEREAS, the Bonds were not issued in 2017; therefor, Issuer desires to re-designate the Bonds approved in the above-described Ordinance as "Combined Utility System Revenue Bonds, Series 2018 B" and hereby does authorize and approve all amendments and modifications to the above-described Ordinance to reflect such re-designation, as reflected on "EXHIBIT A" attached hereto, and other amendments and modifications, and such amended and modified Ordinance is hereinafter referred to as the "Series 2018 B Ordinance";

WHEREAS, the Series 2018 B Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2018 B Bonds should be established by Supplemental Resolution or by a Certificate of Determinations, that a Registrar, Paying Agent and Dissemination Agent be designated, that a Bond Purchase Agreement, a Continuing Disclosure Agreement, a Registrar Agreement and an Official Statement be approved and that other matters pertaining to the Bonds be provided for by a Supplemental Resolution of the Governing Body or pursuant to a Certificate of Determinations executed by the Mayor, that additional covenants and provisions relating to the Series 2018 B Bonds be provided for therein, and as may be required by any Bond Insurer as a condition to insuring such Series 2018 B Bonds and/or providing a Municipal Bond Debt Service Reserve Insurance Policy for such Series 2018 B Bonds and that other matters pertaining to the Series 2018 B Bonds be provided for by a Supplemental Resolution of this Governing Body or by a Certificate of Determinations executed by the Mayor or City Manager;

WHEREAS, the Series 2018 B Bonds are proposed to be purchased by Merrill Lynch, Pierce, Fenner & Smith Incorporated (also known as "Bank of America"), and behalf of itself and Crews & Associates, Inc. (collectively, the "Original Purchaser"), pursuant to a Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof (the "Bond Purchase Agreement");

WHEREAS, the Governing Body has determined that, in order to obtain the best possible terms for the Series 2018 B Bonds, the Mayor, or the Mayor's designee or City Manager, shall be empowered and authorized to execute the Bond Purchase Agreement, within the parameters set forth herein, at such time as the Mayor shall determine most advantageous to the Issuer, or not at all, and the

Mayor shall be authorized to acquire a Municipal Bond Insurance Policy and/or Municipal Bond Debt Service Reserve Insurance Policy if either, or both, is determined by the Mayor, or the Mayor's designee, to be financially advantageous to the Issuer; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental parameters resolution (the "Series 2018 B Supplemental Parameters Resolution") be adopted, that the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate, and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Series 2018 B Bonds, hereinafter described, be approved, that the Mayor be authorized to enter into the Bond Purchase Agreement within the parameters hereby approved by the Governing Body, and that other matters relating to the Series 2018 B Bonds be herein provided for all in accordance with the Series 2018 B Ordinance;

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

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

SECTION 2. The previously authorized "Combined Utility System Revenue Bonds, Series 2017 A (Tax Exempt)," are hereby re-designated as "Combined Utility System Revenue Bonds, Series 2018 B" and the Ordinance enacted January 3, 2017 authorizing the issuance of the Bonds to pay a portion of the Costs of the Project is hereby amended and modified as reflected in Exhibit A attached hereto and incorporated herein by reference. For the purposes of (i) paying a portion of the Costs of the Project, (ii) funding a debt service reserve account for the Series 2018 B Bonds through the purchase of a Municipal Bond Debt Service Reserve Insurance Policy, (iii) paying, if determined to be financially advantageous to the Issuer, the premium for a Municipal Bond Insurance Policy, and (iv) paying costs of issuance of the Series 2018 B Bonds and related costs, the Governing Body of the Issuer hereby authorizes and orders the issuance of the Series 2018 B Bonds in an aggregate principal amount not to exceed $50,000,000.

SECTION 3. Pursuant to the Series 2018 B Ordinance and the Act, this Series 2018 B Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2018 B Bonds. The Series 2018 B Bonds shall be issued in the aggregate principal amount not to exceed $50,000,000, bear interest at a rate not to exceed 7.0%, payable semiannually, shall mature no later than forty (40) years from the date of issuance, and shall be subject to such redemption provisions, all as shall subsequently be approved by the Mayor, or the Mayor's designee, pursuant to the execution and delivery by the Mayor of a Certificate of Determinations with respect to the Series 2018 B Bonds, dated the date of the Bond Purchase Agreement, the form of which is attached hereto as EXHIBIT B and approved hereby (the "Series 2018 B Certificate of Determinations"). The Series 2018 B Bonds shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2018 B Bonds shall be as determined by the Mayor at the time of the execution of the Bond Purchase Agreement and as approved by the Mayor in the Certificate of Determinations.

SECTION 4. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form to be approved pursuant to the execution and delivery by the Mayor, or the Mayor's designee, of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of

the Series 2018 B Bonds, including the payment of all necessary fees and expenses in connection therewith.

SECTION 5. Proceeds of the Bonds shall be expended solely for the purposes set forth in the Series 2018 B Ordinance.

SECTION 6. A. The Tax Certificate, to be dated the date of execution and delivery of the Bonds (the "Tax Certificate"), and executed and delivered by the Issuer, in the form to be approved by the Mayor, and the execution and delivery (in multiple counterparts) by the Mayor thereof, shall be and the same are hereby authorized, approved and directed. The execution of the Tax Certificate by the Mayor shall be conclusive evidence of any approval required by this Section.

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

SECTION 7. A. The Dissemination Agreement, to be dated the date of execution and delivery of the Series 2018 B Bonds (the "Disclosure Agreement"), by and between the Issuer and Digital Assurance Certification, LLC, in the form to be approved by the Mayor, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The execution of the Disclosure Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

B. The Issuer hereby approves the Continuing Disclosure Policy attached hereto as EXHIBIT D.

SECTION 8. The distribution by the Original Purchaser of a Preliminary Official Statement (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form attached hereto as EXHIBIT E and submitted to this meeting is hereby ratified and approved. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor is hereby approved. The Official Statement to be substantially in the form of the Preliminary Official Statement (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor) and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section.

SECTION 9. The Registrar Agreement by and between the Issuer and the Registrar designated herein, substantially in the form to be approved by the Mayor, and the execution and delivery (in multiple counterparts) by the Mayor thereof, shall be and the same are hereby authorized, approved and directed. The execution of the Registrar Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

SECTION 10. The General Manager and Assistant General Manager of the Morgantown Utility Board ("MUB") are each, individually, hereby authorized to approve invoices and requisitions for payment of Costs of the Project, specifically including, but not limited to, requisitions of proceeds of the Series 2018 B Bonds.

SECTION 11. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel and disclosure counsel to the Issuer in connection with the issuance of the Series 2018 B Bonds.

SECTION 12. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Paying Agent for the Series 2018 B Bonds.

SECTION 13. The Issuer hereby appoints and designates Digital Assurance Certification, LLC, as dissemination agent for the Series 2018 B Bonds.

SECTION 14. The Issuer hereby appoints and designates United Bank, Charleston, West Virginia, as the Registrar for the Series 2018 B Bonds. The General Manager of MUB is hereby authorized to designate the depository bank for, and direct the investment of, the proceeds of the Series 2018 B Bonds.

SECTION 15. The Issuer may, if determined to be financially advantageous, acquire a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, all or any portion of the Series 2018 B Bonds. In the event a Municipal Bond Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to insuring the Series 2018 B Bonds. These additional covenants and provisions shall be set forth in the Series 2018 B Certificate of Determinations, shall apply to the Series 2018 B Bonds, and shall be supplemental to, and amendatory of, the Ordinance and this Series 2018 B Supplemental Parameters Resolution, and shall be controlling in the event any other provisions of the Series 2018 B Ordinance and/or this Series 2018 B Supplemental Parameters Resolution may be in conflict therewith.

SECTION 16. The Issuer may, if determined to be financially advantageous, acquire a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 B Bonds Debt Service Reserve Fund for the Series 2018 B Bonds. In the event a Municipal Bond Debt Service Reserve Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds Debt Service Reserve Fund. These additional covenants and provisions shall be set forth in the Series 2018 B Certificate of Determinations, shall apply to the Series 2018 B Bonds, and shall be supplemental to, and amendatory of, the Series 2018 B Ordinance and this Series 2018 B Supplemental Parameters Resolution, and shall be controlling in the event any other provisions of the Series 2018 B Ordinance and this Series 2018 B Supplemental Parameters Resolution may be in conflict therewith.

SECTION 17. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, required or desirable in connection with the Series 2018 B Bonds, to the end that the Series 2018 B Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Agreement.

SECTION 18. The notice addresses for the Paying Agent, Registrar and Dissemination Agent shall be as follows:

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

REGISTRAR
United Bank
500 Virginia Street, East
Charleston, West Virginia 25301
ATTN: Corporate Trust Department

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

SECTION 19. The financing of a portion of the Costs of the Project with the Proceeds of the Series 2018 B Bonds and issuance of the Series 2018 B Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

SECTION 20. The Issuer hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Series 2018 B Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Series 2018 B Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The Mayor of the Issuer is authorized and directed to execute and deliver such further instruments or agreements as shall be required to provide further assurances of the Issuer's compliance with this covenant.

SECTION 21. The Mayor and City Clerk, and all other appropriate officers and employees of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Series 2018 B Bonds to be duly and properly issued by the Issuer and delivered to the Original Purchaser as herein authorized and to otherwise facilitate the transaction contemplated by this Series 2018 B Supplemental Parameters Resolution, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required.

[Remainder of Page Intentionally Blank]

SECTION 22. This Series 2018 B Supplemental Parameters Resolution shall be effective immediately following adoption hereof.

Adopted this 5th day of June, 2018.

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

[SEAL]

Attest:

_____
City Clerk

CERTIFICATION

Certified a true copy of a Series 2018 B Supplemental Parameters Resolution duly adopted by the Council of THE CITY OF MORGANTOWN on June 5 2018, which Series 2018 B Supplemental Parameters Resolution has not been repealed, rescinded, modified, amended or revoked, as of the date hereof.

Dated: June 28, 2018

By: _____
City Clerk

627490.00055

EXHIBIT A – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

CONFORMED ORDINANCE

See Tab 1

EXHIBIT B – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

FORM OF CERTIFICATE OF DETERMINATIONS

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2018 B

CERTIFICATE OF DETERMINATIONS

The undersigned, _____, Mayor of The City of Morgantown (the "Issuer"), in accordance with the Series 2018 B Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on _____, 2018 (the "Series 2018 B Supplemental Parameters Resolution"), with respect to the Issuer's Combined Utility System Revenue Bonds, Series 2018 B (the "Series 2018 B Bonds"), hereby finds and determines this ____ day of _____, 2018, as follows:

1. The Series 2018 B Bonds shall be dated _____, 2018 shall bear interest on _____ 1 and _____ 1 of each year commencing _____, 2018.

2. The Series 2018 B Bonds shall be issued in the aggregate principal amount of $_____. The interest rates on the Series 2018 B Bonds do not exceed 7.0%, being the maximum interest rate authorized by the Series 2018 B Ordinance.

3. The Series 2018 B Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2018 B Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2018 B Bonds shall [not] be subject to [optional and/or mandatory] redemption [as set forth on Schedule 2 attached hereto and incorporated herein.]

6. The Series 2018 B Bonds shall be sold to Merrill Lynch, Pierce, Fenner & Smith Incorporated (also known as "Bank of America"), on behalf of itself and Crews & Associates, Inc. (collectively, the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and a net original issue discount[premium] of $_____).

7. The forms of the Bond Purchase Agreement, the Tax Certificate, the Disclosure Agreement, the Official Statement, and the Rule 15c2-12 Certificate attached hereto are hereby approved.

8. [The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by _____ ("_____") to secure the payment of principal of, and interest on, the Series 2018 B Bonds will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Insurance Policy, and accordingly accepts the Municipal Bond Insurance Commitment (the "Series 2018 B Insurance Commitment")

dated _____, 2018. The Mayor is hereby authorized to execute the Insurance Commitment and deliver the same to _____.]

9. [Pursuant to the Series 2018 B Insurance Commitment, and, as permitted by Section 1_ of the Series 2018 B Supplemental Parameters Resolution, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Insurance Policy for the Series 2018 B Bonds are attached hereto as Exhibit A and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Series 2018 B Ordinance and applicable to the Series 2018 B Bonds.]

10. [The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by _____ ("_____") to fund the Series 2018 B Bonds Reserve Account will result in a cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Debt Service Reserve Insurance Policy, and accordingly accepts the Municipal Bond Debt Service Reserve Insurance Commitment (the "Series 2018 B Reserve Commitment") dated _____, 2018. The Mayor is hereby authorized to execute the Reserve Commitment and deliver the same to _____.]

11. [Pursuant to the Series 2018 B Reserve Commitment, and, as permitted by Section 15 of the Series 2018 B Supplemental Parameters Resolution, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 B Bonds Reserve Account are attached hereto as Exhibit B and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Ordinance and applicable to the Series 2018 B Bonds.]

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2018 B Bonds are within the parameters prescribed by the Series 2018 B Supplemental Parameters Resolution, and the Series 2018 B Bonds may be issued with such terms and conditions as authorized by the Series 2018 B Supplemental Parameters Resolution.

WITNESS my signature the day and year first written above.

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

627490.00055

SCHEDULE 1 – CERTIFICATE OF DETERMINATIONS

SERIES 2018 B BOND TERMS

Bond No.	Maturity Date (__ 1)	Principal Amount	Interest Rate	Price or Yield

SCHEDULE 2 – CERTIFICATE OF DETERMINATIONS

REDEMPTION PROVISIONS:

SERIES 2018 B BONDS

[to be inserted after pricing]

EXHIBIT A – CERTIFICATE OF DETERMINATIONS

PROVISIONS RELATING TO MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Commitment

[insert]

EXHIBIT B – CERTIFICATE OF DETERMINATIONS

PROVISIONS RELATING TO MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

Municipal Bond Debt Service Reserve Insurance Commitment

[insert]

EXHIBIT C – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

TAX COMPLIANCE POLICY

THE CITY OF MORGANTOWN (WEST VIRGINIA)

Purpose

Governmental issuers of tax-exempt and tax-credit bonds must comply with certain federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by The City of Morgantown, West Virginia (the *"Issuer"*), as the issuer, with these rules in connection with the issuance of the Issuer's Combined Utility System Revenue Bonds, Series 2018 B (the "*Tax-Exempt Bonds*"). It is understood and agreed by the Issuer, and the Issuer has covenanted to take all actions necessary to maintain the Tax-Exempt Bonds as tax-exempt state and local bonds.

Tax Requirements Associated with Sale and Issuance of Bonds

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

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

Expenditure of Proceeds for Governmental Costs

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

- Bond proceeds will be disbursed pursuant to the Bond Ordinance, and will be a written order of an Authorized Officer, stating the date, amount and purpose of the disbursement.

- Requisitions must identify the financed property in conformity with the Tax and Non-Arbitrage Certificate executed by the Issuer at closing, including any certifications as to the character and average economic life of the bond-financed property.

- Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a "declaration of intent" to reimburse the costs was adopted by The City. If proceeds are used for reimbursement, a copy of the declaration will be obtained

and included in the records for the Tax-Exempt Bonds, if not already part of the bond transcript.

- Requisitions will be in accordance with expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the Tax-Exempt Bonds.

- If the 18-month spending exception to rebate applies, expenditure of gross proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable:

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

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

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

Expenditure of Proceeds

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

- Reserve funds cannot exceed the least of 10% of bond proceeds, maximum annual debt service, or 125% of average annual debt service. The initial funding of any reserve fund will be measured against this limit.

- Only a small portion (5%) of the proceeds of Tax-Exempt Bonds can be used for operating expenses or other "working capital" costs. Requisitions for costs of the Project will accordingly be monitored to confirm that they are for capital costs of the Project.

- Investment earnings on sale proceeds of the Tax-Exempt Bonds will be tracked and will be requisitioned only for appropriate expenditures.

Use of Bond-Financed Property

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

- Average nonexempt use of bond-financed property over the life of the issue cannot exceed 10% of the proceeds.

- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property subject to the Bond Ordinance is bond-financed.

- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit, as set forth in the Tax Certificate.

- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a "remedial action" under the applicable Income Tax Regulations.

Investments and IRS Filings

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

- Guaranteed investment contracts ("*GIC*") will be purchased only using the three-bid "safe harbor" of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.

- Other investments will be purchased only in market transactions.

- Calculations of rebate liability will be performed annually by outside consultants.

- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.

- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

Records

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

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

- Retainable records pertaining to the Tax-Exempt Bonds include transcript of documents executed in connection with the issuance of the bonds (including authorizing resolutions, Bond Ordinance, Form 8038-G, and Tax Certificate) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.

- Retainable records pertaining to expenditures of bond proceeds include requisitions, accounting statements and final allocation of proceeds.

- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use and any reviewed documents relating to unrelated business activity.

- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

Amendment

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

Overall Responsibility

Overall administration and coordination of this policy is the responsibility of the Oversight Officer, as designated by the Mayor.

THE CITY OF MORGANTOWN, WEST VIRGINIA

_____

By: Mayor
Date:

EXHIBIT D – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

CONTINUING DISCLOSURE POLICY

Continuing Disclosure Policy of The City of Morgantown (attached) previously approved by Supplemental Resolution dated November 1, 2016 and hereby continued

CONTINUING DISCLOSURE POLICY

CONTINUING DISCLOSURE POLICIES AND PROCEDURES

FOR THE CITY OF MORGANTOWN, WEST VIRGINIA

Background

Pursuant to SEC Rule 15c2-12 (the "Rule"), issuers of obligations are required under most circumstances to file financial and operating information on an annual basis with the Municipal Securities Rulemaking Board (MSRB) using the Electronic Municipal Market Access system (EMMA- http://www.emma.msrb.org). The City of Morgantown, West Virginia (the "City") has issued or may issue obligations which are covered by the Rule (the "Obligations") and must comply with any required filings in a timely manner. These Policies and Procedures are intended to assure, for all Obligations of the City, that all filings required under the Rule are made timely and completely and meet all requirements of the Rule. The City has covenanted or will covenant to comply with the Rule through the execution and delivery of continuing disclosure agreements or certificates (each, a "Continuing Disclosure Undertaking") applicable to each issue of Obligations.

With respect to the City, the Rule requires that an underwriter, prior to purchasing or selling an issue of obligations in connection with a covered offering, determine that the City has undertaken in writing, with respect to that issue of Obligations, to provide the following information to the MSRB using EMMA and to the appropriate state information depository ("SID"), if any:

- By a specified date, annual financial and operating information for the City substantially similar to the financial information and operating data presented in the official statement for such issue (an "Annual Information Filing");
- By a specified date, if available, audited annual financial statements for the City ("Audited Financial Statements") and, if not available by the date required, unaudited financial statements with Audited Financial Statements within 10 business days of their availability;
- In a timely manner, notice of the occurrence of one or more of the listed events described in the Rule (a "Rule 15c2-12 Event Notice"); and
- In a timely manner, notice of a failure by the City to make the required Annual Information Filing and/or file the Audited Financial Statements on or before the date(s) specified in the Continuing Disclosure Undertaking ("Notice of Failure").

Note: There is no SID currently in the State of West Virginia. If the State of West Virginia should establish a SID, the City also will be required to file all required information with the SID.

Responsible Party; Maintenance of List and Files

The Responsible Party for the City shall be the City Manager of the City and any alternate or assistant as the City Manager shall appoint. The Responsible Party shall maintain a current list for each fiscal year identifying each issue of Obligations of the City outstanding during such fiscal year setting forth the name, original principal amount, date of issuance and CUSIP numbers for each such issue and the dates by which the Annual Information Filings and the Audited Financial Statements are required to be submitted to the MSRB using EMMA, such list to be accompanied by copies of the related Continuing Disclosure Undertakings.

Annual Information Filing Requirements

The Responsible Party shall be knowledgeable and familiar with the provisions of each Continuing Disclosure Undertaking as to the type, format and content of the financial and operating information to be included in each Annual Information Filing to be made thereunder and the timing requirements for the filing thereof.

Audited Financial Statements

Audited Financial Statements of the City, or such other Audited Financial Statements as required by a specific Continuing Disclosure Undertaking, are also required to be filed no later than the submission dates established under each Continuing Disclosure Undertaking. The Responsible Party shall be knowledgeable and familiar with the specific timing requirements for the filing of such Audited Financial Statements and, if not available by the date(s) required, the provisions regarding the filing of unaudited financial statements under the terms of each Continuing Disclosure Undertaking. In any event, the Audited Financial Statements shall be filed within 10 business days of their receipt and acceptance.

Notices of Failures to File

The Responsible Party shall be knowledgeable and familiar with the specific requirements for the filing of a Notice of Failure to make Annual Information Filings and/or to file Audited Financial Statements by the date(s) required under the terms of each Continuing Disclosure Undertaking.

Preparation

Approximately 90 days before the submission date for required filings established under each Continuing Disclosure Undertaking, the Responsible Party shall initiate the process of preparing the financial and operating information required to be submitted thereunder. The Responsible Party shall assemble the information available at that time and determine the scope of additional information to be required and also contact the auditors to establish a schedule for completion and submission for the Audited Financial Statements.

On or before the submission date established under each Continuing Disclosure Undertaking, the Responsible Party (either on its own behalf or through a dissemination agent which the City has engaged for such purpose) shall file the Annual Information Filing together with the Audited

Financial Statements. If the Audited Financial Statements are not then available, unaudited financial information shall be filed with the MSRB using EMMA and the Audited Financial Statements shall be filed within 10 business days of their receipt and acceptance.

The Responsible Party shall set calendar reminders in the City's recordkeeping systems.

Listed Events

The Rule also requires filing of a Rule 15c2-12 Event Notice upon the occurrence of certain listed events described in the Continuing Disclosure Undertakings. Attached hereto is a description of the listed events current as of the date of execution of these Policies and Procedures, but the Responsible Party shall review the EMMA web site from time to time to determine whether there have been any changes to the listed events for which a Rule 15c2-12 Event Notice is required. The Responsible Party shall provide a Rule 15c2-12 Event Notice to the MSRB using EMMA within 10 business days of occurrence of any such listed event.

Familiarity with EMMA Submission Process

The Responsible Party shall register with EMMA and review the on-line process of filing with EMMA located at www.emma.msrb.org in order to submit the required information. If the City engages the services of a dissemination agent to make required filings hereunder, the Responsible Party shall not be required to register with EMMA. A tutorial is available at the MSRB website and a practice submission is available as well.

The Responsible Party also shall enroll the City in EMMA's reminder system, so long as such system is available, to ensure timely performance of their responsibilities and obligations.

Training Efforts

To ensure adequate resources to comply with the Rule, the Responsible Party shall develop a training process aimed at providing additional assistance in preparing required information. The training process shall be conducted at least annually and shall encompass a review of the City's filing requirements under its existing Continuing Disclosure Undertakings, the EMMA submission process and an understanding of the timing requirements necessary for full compliance. Such training may occur in conjunction with other issuers of governmental bonds and may be coordinated and/or sponsored by an association of which the City is a member (e.g. the West Virginia Municipal League or the West Virginia Chapter of the Government Finance Officers Association).

Coordination Effort

The Responsible Party shall coordinate the preparation and submission of the required information with any dissemination agent which has been engaged by the City for such purpose to ensure full compliance with the requirements of the Rule and the Continuing Disclosure Undertakings.

Records Retention

The Responsible Party, or the dissemination agent at the direction of the Responsible Party, shall maintain records with respect to the filings with the MSRB using EMMA, including, but not limited to, EMMA posting receipts showing the dates and nature or contents of all filings for each issue of Obligations of the City outstanding during each fiscal year.

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EVENTS FOR WHICH
RULE 15C2-12 EVENT NOTICES ARE REQUIRED
(Current as of November 17, 2014)

1. Principal and interest payment delinquencies.

2. Nonpayment-related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

7. Modifications to rights of security holders, if material.

8. Bond calls, if material.

9. Defeasances.

10. Release, substitution or sale of property securing repayment of the securities, if material.

11. Rating changes.

12. Tender offers.

13. Bankruptcy, insolvency, receivership or similar event of the City[†].

14. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

15. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

[†]This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

EXHIBIT E – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

FORM OF PRELIMINARY OFFICIAL STATEMENT

See Attached

THE CITY OF MORGANTOWN, WEST VIRGINIA

COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A (TAX EXEMPT)

BOND ORDINANCE

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EXHIBIT A – FORM OF SERIES 2017 A BONDS

THE CITY OF MORGANTOWN, WEST VIRGINIA

AN ORDINANCE AUTHORIZING THE DESIGN ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE POTABLE WATER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

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

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

WHEREAS, under the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to design, acquire, construct and operate extensions, additions, betterments and improvements for the Combined Utility System;

WHEREAS, the Issuer has determined the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the raw water supply and storage, water treatment, treated water storage and distribution system for potable water (the "Potable Water System"), specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir, and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements of certain water treatment plant assets, distribution lines, pump stations and storage tanks, and all necessary appurtenances, as determined by the Board (collectively, the "Project"), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined to finance all or a portion of the costs of the Project through the issuance of its The City of Morgantown, Combined Utility System Revenue Bonds, Series 2017 A, in the aggregate principal amount of not more than $50,000,000 (the "Series 2017 A Bonds");

WHERESAS, the Issuer may finance a portion of the costs of the Project through the issuance of its The City of Morgantown, Combined Utility System Revenue Bonds, Series 2017 B (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $20,000,000 (the "Series 2017 B Bonds" and, collectively with the Series 2017 A Bonds, the "Series 2017 Bonds"), the issuance of which is authorized by the enactment by the City Council of the Issuer of an Ordinance contemporaneously herewith (the "Series 2017 B Ordinance");

WHEREAS, the Issuer has determined to enact this Ordinance to authorize the issuance of the Series 2017 A Bonds (the "Series 2017 A Ordinance"), such Series 2017 A Bonds to have such security and such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, Series 2017 A Bonds will be issued on a parity with the Series 2017 B Bonds (if issued), the Prior Bonds and any Additional Parity Bonds (as hereinafter defined) with respect to their lien on and security interest in the Gross Revenues of the Combined Utility System, and the Series 2017 A Bonds shall contain such other terms and provisions as are hereinafter provided, all in the manner set forth herein; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City that its Series 2017 A Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, hereinafter defined;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF MORGANTOWN HEREBY ORDAINS:

ARTICLE I
DEFINITIONS, STATUTORY AUTHORITY, FINDINGS

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

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2017 A Bonds.

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

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

"Board" shall mean The City of Morgantown Utility Board, created by an ordinance of the Issuer, or any successor thereto, the authorized officer for which is the Board's General Manager.

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

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

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

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2017 A Bonds, shall initially mean the bond insurer, if any, named in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Series 2017 A Bonds.

"Bond Year" means with respect to each series of Series 2017 A Bonds the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2017 A Bonds, the Series 2017 B Bonds (if issued), the Prior Bonds and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2017 A Bonds in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS," attached hereto.

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

"City Clerk" or "Clerk" means the City Clerk of the Issuer.

"City Manager" means the City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2017 A Bonds for the proceeds representing the original purchase price thereof.

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

"Combined Utility System" means, collectively, the Potable Water System, the Sewer System and the Stormwater System of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, betterments and improvements hereafter acquired, constructed and/or equipped for the Potable Water System, the Sewer System or the Stormwater System, both within, and outside of, the Issuer's corporate boundaries.

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

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

"Costs," "Costs of the Project" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation those costs set forth in Section 1.02C.

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

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

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

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

"DTC-eligible" means, with respect to the Series 2017 A Bonds, meeting the qualifications prescribed by DTC.

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

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

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

"Government Obligations" shall have the meaning set forth in the Supplemental Resolution.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the Combined Utility System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" include any gains from the sale or other

disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments, as hereinafter defined) or any Tap Fees (as hereinafter defined).

"Independent Certified Public Accountant" means the West Virginia State Tax Department or any licensed Certified Public Accountant or firm of licensed Certified Public Accountants that shall at any time hereafter be retained by the Issuer or the Board to prepare an independent annual or special audit of the accounts of the Combined Utility System or for any purpose except keeping the accounts of said Combined Utility System in the normal operations of its business and affairs, and specifically shall not include any Certified Public Accountant who is an employee of either the City or the Board.

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

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on then outstanding Bonds for the then current or any succeeding Fiscal Year.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by any Bond Insurer simultaneously with the delivery of the Series 2017 A Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2017 A Bonds, in accordance with the terms thereof.

"Municipal Bond Debt Service Reserve Insurance Policy" means a municipal bond debt service reserve policy and may subsequently mean, a letter of credit, surety bond or other financial instrument which is pledged to the Series 2017 A Bonds Reserve Account in the amount of the Series 2017 A Bonds Reserve Requirement.

"Net Proceeds" means the face amount of the Series 2017 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and less proceeds deposited in the Series 2017 A Bonds Reserve Account, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2017 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses (hereinafter defined).

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2017 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 2017 A Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the Combined Utility System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs, fees and expenses of the Combined Utility System, fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds,

taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Ordinance" or "Bond Ordinance" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by supplemental resolution.

"Original Purchaser" means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2017 A Bonds directly from the Issuer, as determined by a resolution supplemental hereto.

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

"Paying Agent" means, initially, the West Virginia Municipal Bond Commission and any other paying agent for the Series 2017 A Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

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

"Prior Bonds" means, collectively, the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2013 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 A Bonds and Series 2016 B-1 Bonds.

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

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

"Project" means the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the Potable Water System, specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements, as determined by the Board, of certain water treatment plant assets, distribution lines, pump stations and storage tanks and all necessary appurtenances.

"Purchase Price" for the purpose of computation of the Yield of the Series 2017 A Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2017 A Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2017 A Bonds of each maturity is sold or, if the Series 2017 A Bonds are privately placed, the price paid by the first buyer of the Series 2017 A Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2017 A Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2017 A Bonds.

"Qualified Investments" means and includes all investments permitted to be made by a municipality and political subdivision under the laws of the State, as enacted as of the date of enactment of this Bond Ordinance in West Virginia Code § 8-13-22a and 8-22-22a, as may be amended or modified from time to time. In the event that the laws of the State would cease to provide guidance on permissible investments, the last applicable law of the State shall control such investments.

"Record Date" means the date or dates which shall be so stated in the Series 2017 A Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

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

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2017 A Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

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

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

"Series 1995 Bonds" means the Combined Utility System Revenue Bonds, Series 1995 (West Virginia SRF Program), of the Issuer, dated April 27, 1995, issued in the original aggregate principal amount of $1,601,477.

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

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

"Series 2001 A Bonds" means the Combined Utility System Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer, dated February 8, 2001, issued in the original aggregate principal amount of $3,812,470.

"Series 2006 A Bonds" means the Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of $6,410,191.

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

"Series 2010 A Bonds" means the Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $37,950,000.

"Series 2010 B Bonds" means the Combined Utility System Revenue Bonds, Series 2010 B (West Virginia SRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $81,600.

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

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

"Series 2010 E Bonds" means the Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $100,000.

"Series 2010 F Bonds" means the Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $7,250,000.

"Series 2012 A Bonds" means the Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, dated August 24, 2012, issued in the original aggregate principal amount of $570,000.

"Series 2012 C Bonds" means the Combined Utility System Revenue Bonds, Series 2012 C (Bank Qualified), of the Issuer, dated October 5, 2012, issued in the original aggregate principal amount of $2,330,000.

"Series 2013 A Bonds" means the Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated August 22, 2013, issued in the original aggregate principal amount of $4,605,260.

"Series 2014 B Bonds" means the Combined Utility System Revenue Bonds, Series 2014 B, of the Issuer, dated July 13, 2014, issued in the original aggregate principal amount of $505,421.

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

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

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

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

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

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

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

"Series 2016 B-2 Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green), of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $500,000. Pursuant to the terms and conditions of the Series 2016 B-2 Bonds, the outstanding principal of the Series 2016 B-2 Bonds is forgiven by the holder thereof on the last day of the Fiscal Year in which such principal is advanced. No repayment of any principal of the Series 2016 B-2 Bonds will occur and the Series 2016 B-2 Bonds do not bear any interest. The Series 2016 B-2 Bonds are not secured by any lien on the Gross Revenues of the Combined Utility System.

"Series 2017 Bonds" means, collectively, the Series 2017 A Bonds and, if issued, the Series 2017 B Bonds.

"Series 2017 A Bonds" means the Combined Utility System Revenue Bonds, Series 2017 A of the Issuer, authorized to be issued in the aggregate principal amount of not more than $50,000,000 pursuant to this Ordinance and the Supplemental Resolution.

"Series 2017 A Bonds Construction Fund" means the Series 2017 A Bonds Construction Fund created by Section 4.01 hereof.

"Series 2017 A Bonds Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2017 A Bonds Redemption Account" means the Redemption Account created in the Series 2017 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2017 A Bonds Reserve Account" means the Series 2017 A Bonds Reserve Account created in the Series 2017 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2017 A Bonds Sinking Fund" means the Series 2017 A Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2017 B Bonds" means the Combined Utility System Revenue Bonds, Series 2017 B of the Issuer, which may be issued contemporaneously with the Series 2017 A Bonds in the aggregate principal amount of not more than $20,000,000 to pay a portion of the Costs of the Project.

"Series 2017 B Bonds Reserve Account" means the Series 2017 B Bonds Reserve Account created pursuant to the Series 2017 B Ordinance.

"Series 2017 B Bonds Sinking Fund" means the Series 2017 B Bonds Sinking Fund created pursuant to the Series 2017 B Ordinance

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

"State" means the State of West Virginia.

"Stormwater System" means, collectively, the stormwater management and conveyance facilities of the Combined Utility System which specifically includes, but is not limited to, pipe, culverts, channels and watercourses, as presently existing in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereinafter acquired, constructed, or equipped for the Stormwater System, both within, and outside of, the Issuer's corporate boundaries.

"Supplemental Resolution" means, collectively, any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Supplemental Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Bond Insurer provisions (if any) and other terms of the Series 2017 A Bonds and authorizing the sale of the Series 2017 A Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2017 A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

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

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

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

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

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

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

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

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

B. The Issuer presently owns and operates, through the Board, a public combined potable waterworks, sanitary sewerage, and stormwater Combined Utility System. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the potable water supply for all customers of the Combined Utility System, that there be acquired and constructed certain extensions, additions, betterments and improvements to the Potable Water System of the Combined Utility System, specifically the Project.

C. It is deemed necessary for the Issuer to issue its Combined Utility System Revenue Bonds, Series 2017 A, in the aggregate principal amount of not more than $50,000,000, to permanently finance all or a portion of the costs of design, acquisition, construction and equipping of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2017 A Bonds prior to and during acquisition, construction and/or equipping and for a period not exceeding 6 months after completion of acquisition, construction and equipping of the Project; amounts which may be deposited in the Series 2017 A Bonds Reserve Account; underwriter's discount, engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses; commitment fees; the premium for a Municipal Bond Insurance Policy; the premium for a Municipal Bond Debt Service Reserve Insurance Policy; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2017 A 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 2017 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

D. The period of usefulness of the Combined Utility System after completion of the Project is not less than 40 years.

E. It is in the best interests of the Issuer that the Series 2017 A Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by Supplemental Resolution of the Issuer.

F. There are or will be outstanding obligations of the Issuer which will rank on a parity with the Series 2017 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Series 2017 B Bonds (if issued), Prior Bonds and any hereinafter issued Additional Parity Bonds, as provided in this Ordinance.

Prior to the issuance of the Series 2017 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Series 2017 B Bonds (if issued) and the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, the Series 2016 B-1 Bonds and the Series 2017 B Bonds (if issued) to the issuance of the Series 2017 A Bonds on a parity with the Series 1992 Bonds, Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 B-1 Bonds and Series 2017 B Bonds (if issued). The Series 2010 A Bonds, Series 2010 F Bonds, Series 2012 C Bonds, Series 2014 B Bonds and Series 2016 A Bonds do not require written consent from the holders thereof.

Other than the Series 2017 B Bonds (if issued) and the Prior Bonds, there are no other presently outstanding bonds or obligations of the Issuer which are secured by Gross Revenues or assets of the Combined Utility System. The Issuer is in compliance with all the covenants of the Series 2017 B Bonds, the Prior Bonds and the Prior Ordinances.

G. The Issuer intends to issue the Series 2017 A Bonds, and to pledge for payment thereof, the Gross Revenues of the Combined Utility System, on a parity with one another and on a parity with such pledge in favor of the Holders of the Series 2017 B Bonds (if issued), the Prior Bonds and any hereinafter issued Additional Parity Bonds.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the Combined Utility System will be sufficient to provide for the repair, maintenance and operation of the Combined Utility System, to pay the principal of and interest on the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and the Prior Bonds as and when it becomes due and reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2017 A Bonds, and secure the Series 2017 A Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the Combined Utility System, the monies in the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, unexpended proceeds of the Series 2017 A Bonds and as further set forth herein.

J. The Series 2017 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS" attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K. All things necessary to make the Series 2017 A Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2017 A Bonds, will be timely done and duly performed.

L. The enactment of this Ordinance, the execution and issuance of the Series 2017 A Bonds and the amendment, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. Prior to construction, the Issuer will have complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the Combined Utility System and issuance of the Series 2017 A Bonds including but not limited to Chapter 24, Article 2, Paragraph 11 (l).

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2017 A Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Series 2017 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2017 A Bond and any other Series 2017 A Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01 Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not more than $52,000,000, of which up to $50,000,000 will be obtained from the proceeds of the Series 2017 A Bonds, up to $20,000,000 may be obtained from the proceeds of the Series 2017 B Bonds (if issued) and up to $2,000,000 may be obtained from funds of the Combined Utility System available for such purpose.

ARTICLE III
THE SERIES 2017 A BONDS

Section 3.01 Form and Payment of Bonds. No Series 2017 A Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2017 A Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2017 A Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2017 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2017 A Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2017 A Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2017 A Bonds shall be in default, Bonds issued in exchange for Series 2017 A Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2017 A Bonds surrendered.

The principal of, and the interest and premium, if any, on, the Series 2017 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2017 A Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2017 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2017 A Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Series 2017 A Bond in the principal amount of said Series 2017 A Bond then Outstanding.

Section 3.02. Execution of the Series 2017 A Bonds. The Series 2017 A Bonds shall be executed in the name of the Issuer by the Mayor, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2017 A Bonds shall cease to be such officer of the Issuer before the Series 2017 A Bonds so signed and sealed have been actually sold and delivered, such Series 2017 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2017 A Bonds had not ceased to hold such office. Any Series 2017 A Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Series 2017 A Bonds shall hold the proper office in the City, although at the date of such Series 2017 A Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2017 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2017 A Bond, substantially in the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS" attached hereto and incorporated herein by reference with respect to the Series 2017 A Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2017 A Bond shall be conclusive evidence that such Series 2017 A Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any

Series 2017 A Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2017 A Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2017 A Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2017 A Bonds, in accepting any of said Series 2017 A Bonds, shall be conclusively deemed to have agreed that such Series 2017 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2017 A Bonds shall further be conclusively deemed to have agreed that said Series 2017 A Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2017 A Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2017 A Bonds. The Series 2017 A Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2017 A Bond, there shall be issued at the option of the Holder of the Series 2017 A Bonds or the transferee another Series 2017 A Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Series 2017 A Bond and of the same series, interest rate and maturity of said transferred Series 2017 A Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2017 A Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Series 2017 A Bonds, of the same maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2017 A Bond is exercised, Series 2017 A Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2017 A Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2017 A Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2017 A Bonds, the Registrar may impose a service charge. For every such transfer or exchange of Series 2017 A Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2017 A Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2017 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Series 2017 A Bond of like series, maturity and principal amount as the Series 2017 A Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Series 2017 A Bond, or in lieu of and substitution for the Series 2017 A Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the

Registrar proof of his ownership thereof and that said Series 2017 A Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2017 A Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Series 2017 A Bond shall have matured or be about to mature, instead of issuing a substitute Series 2017 A Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Series 2017 A Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Series 2017 A Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2017 A Bonds be at any time found by any one, and such duplicate Series 2017 A Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued as part of the Series 2017 A Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2017 A Bonds Redemption Account in accordance with Section 4.03 shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2017 A Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

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

3. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2017 A Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued

interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2017 A Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2017 A Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2017 A Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer and the registered owner of the Series 2017 A Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2017 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

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

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all Outstanding Series 2017 A Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2017 A Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Series 2017 A Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Series 2017 A Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar, and

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

If funds sufficient to redeem all Series 2017 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is conditioned on, and subject to, the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited,

the Registrar shall notify all holders of Series 2017 A Bonds called for redemption of such fact and no holder of any Series 2017 A Bonds shall have any claim of any type, of law or inequity, against the Issue.

Official notice of redemption having been given as aforesaid, the Series 2017 A Bonds, or portions of the Series 2017 A Bonds so to be redeemed, shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2017 A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such Bond. All Series 2017 A Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2017 A Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Series 2017 A Bond is registered as the owner of such Series 2017 A Bond for the purpose of receiving payment of the principal of, and interest on, such Series 2017 A Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Series 2017 A Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 2017 A Bonds. For the purposes of paying all or a portion of the costs of the Project, capitalizing interest on the Series 2017 A Bonds, paying the premium for a Municipal Bond Insurance Policy, funding the Series 2017 A Bonds Reserve Account with proceeds of the Series 2017 A Bonds or paying the premium for a Municipal Bond Debt Service Reserve Insurance Policy, in an amount equal to the Series 2017 A Bonds Debt Service Reserve Requirement and paying costs in connection with the issuance of the Series 2017 A Bonds, or any or all such purposes, there shall be issued the Series 2017 A Bonds of the Issuer, in an aggregate principal amount of not more than $50,000,000. Said Series 2017 A Bonds shall be designated "Combined Utility System Revenue Bonds, Series 2017 A" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in the Supplemental Resolution, and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2017 A Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2017 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2017 A Bonds shall be dated; shall be in such aggregate principal amount (not to

exceed $50,000,000); shall bear interest at such rate or rates, (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 40 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2017 A Bonds. A. The Series 2017 A Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2017 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2017 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2017 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2017 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2017 A Bond or any other evidence of ownership of the Series 2017 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2017 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2017 A Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2017 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2017 A Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of, or interest on, the Series 2017 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2017 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2017 A Bonds so redeemed, but DTC may retain such Series 2017 A Bonds and make an appropriate notation on the Series 2017 A Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2017 A Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2017 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2017 A Bonds, selecting the Series 2017 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2017 A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2017 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2017 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant

of any amount in respect of the principal or Redemption Price of or interest on the Series 2017 A Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2017 A Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2017 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2017 A Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2017 A Bonds. In either of such events (unless in the case described in clause (iii) above, the Issuer appoints a successor securities depository), the Series 2017 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2017 A Bonds.

Section 3.12. Delivery of Series 2017 A Bonds. A. The Issuer shall execute and deliver the Series 2017 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2017 A Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2017 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2017 A Bonds to DTC for the benefit of the Original Purchaser;

(3) Copies certified by the City Clerk of this Ordinance and the Supplemental Resolution;

(4) The unqualified approving opinion upon the Series 2017 A Bonds by Bond Counsel; and

(5) Such other opinions, certificates and documents as shall be reasonably requested by the Original Purchaser.

Section 3.13. Form of Series 2017 A Bonds. The definitive Series 2017 A Bonds shall be in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS" attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2017 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2017 A Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2017 A Bonds. Upon the issuance and delivery of the Series 2017 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2017 A Bonds from the date thereof to the date of delivery thereof, if any, shall be deposited in the Series 2017 A Bonds Sinking Fund and applied to payment of interest on the Series 2017 A Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2017 A Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer.

3. An amount of the proceeds of the Series 2017 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2017 A Bonds Reserve Account; provided, that to the extent the Series 2017 A Bonds Reserve Requirement is satisfied in whole or in part from a Municipal Bond Debt Serve Reserve Insurance Policy, proceeds of the Series 2017 A Bonds shall be (i) paid to the Bond Insurer, via wire transfer, in an amount equal to the premium for the Municipal Bond Debt Service Reserve Insurance Policy and (ii) deposited in the Series 2017 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2017 A Bonds Reserve Requirement.

4. The amount of Series 2017 A Bond proceeds which, together with other monies or securities deposited therein, shall be equal to the Costs of Issuance of the Series 2017 A Bonds shall be deposited with the Depository Bank in the Series 2017 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2017 A Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2017 A Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2017 A Bonds Construction Fund established in Section 4.01 hereof and applied to Costs of the Project. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2017 A Bonds from which such proceeds are derived.

5. The balance of Series 2017 A Bonds proceeds, if any, shall be deposited in the Series 2017 A Bonds Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Series 2017 A Bonds Construction Fund. Disbursements from the Series 2017 A Bonds Construction Fund, except for payment of Costs of Issuance of the Series 2017 A Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Issuer, shall be made only for design, acquisition, construction and equipping of the Project, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2017 A Bonds Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the direction of the Board.

ARTICLE IV
COMBINED UTILITY SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other (except as set forth in this Section 4.01), and used solely for the purposes provided herein:

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

(2) Depreciation Fund (established by the Prior Ordinances);

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

(4) Series 2017 A Bonds Construction Fund; and

(5) Series 2017 A Bonds Cost of Issuance Fund.

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

(1) Series 1992 Bonds Sinking Fund (established by Prior Ordinances);

(2) Series 1992 Bonds Reserve Account established by Prior Ordinances);

(3) Series 1995 Bonds Sinking Fund (established by Prior Ordinances);

(4) Series 1995 Bonds Reserve Account established by Prior Ordinances);

(5) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);

(6) Series 2000 A Bonds Reserve Account established by Prior Ordinances);

(7) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances);

(8) Series 2000 B Bonds Reserve Account established by Prior Ordinances);

(9) Series 2001 A Bonds Sinking Fund (established by Prior Ordinances);

(10) Series 2001 A Bonds Reserve Account established by Prior Ordinances);

(11) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);

(12) Series 2006 A Bonds Reserve Account established by Prior Ordinances);

(13) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);

(14) Series 2007 A Bonds Reserve Account established by Prior Ordinances);

(15) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);

(16) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);

(17) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);

(18) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);

(19) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);

(20) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);

(21) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);

(22) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);

(23) Series 2010 F Bonds Sinking Fund (established by Prior Ordinances);

(24) Series 2010 F Bonds Reserve Account (established by Prior Ordinances);

(25) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);

(26) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);

(27) Series 2012 C Bonds Sinking Fund (established by Prior Ordinances);

(28) Series 2012 C Bonds Reserve Account (established by Prior Ordinances);

(29) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);

(30) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);

(31) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances);

(32) Series 2014 B Bonds Reserve Account (established by Prior Ordinances);

(33) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances);

(34) Series 2015 A Bonds Reserve Account (established by Prior Ordinances);

(35) Series 2015 B Bonds Sinking Fund (established by Prior Ordinances);

(36) Series 2015 B Bonds Reserve Account (established by Prior Ordinances);

(37) Series 2015 C Bonds Sinking Fund (established by Prior Ordinances);

(38) Series 2015 C Bonds Reserve Account (established by Prior Ordinances);

(39) Series 2015 D Bonds Sinking Fund (established by Prior Ordinances);

(40) Series 2015 D Bonds Reserve Account (established by Prior Ordinances);

(41) Series 2015 E Bonds Sinking Fund (established by Prior Ordinances);

(42) Series 2015 E Bonds Reserve Account (established by Prior Ordinances);

(43) Series 2016 A Bonds Sinking Fund (established by Prior Ordinances);

(44) Series 2016 A Bonds Reserve Account (established by Prior Ordinances);

(45) Series 2016 B-1 Bonds Sinking Fund (established by Prior Ordinances);

(46) Series 2016 B-1 Bonds Reserve Account (established Prior Ordinances);

(47) Series 2017 A Bonds Sinking Fund;

(48) Series 2017 A Bonds Reserve Account;

(49) Series 2017 B Bonds Sinking Fund (established by the Series 2017 B Ordinance and provided the Series 2017 B Bonds are issued); and

(50) Series 2017 B Bonds Reserve Account (established by the Series 2017 B Ordinance and provided the Series 2017 B Bonds are issued).

Section 4.03. Combined Utility System Revenues and Application Thereof. So long as any of the Series 2017 A Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

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

(1) The Issuer shall first, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to for payment of interest on the Series 1995 Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2016 A Bonds and Series 2016 B-1 Bonds; (ii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2017 A Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2017 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2017 A Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2017 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2017 A Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund; and (iii) if the Series 2017 B Bonds are issued, the amount required by the Series 2017 B Ordinance to pay the interest, if any, on the Series 2017 B Bonds.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Sinking Funds for the Prior Bonds for the payment of principal of the Prior Bonds; (ii) for deposit in the Series 2017 A Bonds Sinking Fund (and in the Series 2017 A Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2017 A Bonds, a sum equal to 1/12th of the amount

(or 1/6th of the amount if the Series 2017 A Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2017 A Bonds on the next ensuing principal payment or mandatory Redemption Date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2017 A Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2017 A Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph; and (iii) if the Series 2017 B Bonds are issued, the amount required by the Series 2017 B Ordinance to repay the principal of the Series 2017 B Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Reserve Accounts for the Prior Bonds; (ii) commencing 13 months prior to the first date of payment of principal of the Series 2017 A Bonds or upon completion of construction of the Project, whichever is earlier, if not fully funded upon issuance of the Series 2017 A Bonds, for deposit in the Series 2017 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2017 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2017 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2017 A Bonds Reserve Requirement; provided further, that if the amounts in the Series 2017 A Bonds Reserve Account, as a result of a decrease in value of the Series 2017 A Bonds Reserve Account below the Series 2017 A Bonds Reserve Account Requirement or any withdrawal from the Series 2017 A Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2017 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2017 A Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2017 A Bonds Reserve Account is less than the Series 2017 A Bonds Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2017 A Bonds Reserve Account for deposit into the Series 2017 A Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2017 A Bonds Reserve Account to an amount equal to the Series 2017 A Bond Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2017 A Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2017 A Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2017 A Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2017 A Bond Reserve Account Requirement; and (iii) if the Series 2017 B Bonds are issued, the amount required by the Series 2017 B Ordinance to be deposited in the Series 2017 B Bonds Reserve Account.

Amounts deposited in, or pledged to, the Series 2017 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2017 A Bonds when due, when amounts in the Series 2017 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

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

(5) The Issuer shall next, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2.5% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Ordinances and the Series 2017 B Ordinance so long as the Prior Bonds and the Series 2017 B Bonds, respectively, are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, or improvements or extensions to the Combined Utility System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such Reserve Account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2017 A Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2017 A Bonds, if any, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

D. Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and any hereinafter issued Additional Parity Bonds all in accordance with the respective principal amounts then Outstanding.

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

Section 5.01. Investments. The Issuer, through the Board, shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

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

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

(A) Qualified Investments acquired for the Series 2017 A Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer, through the Board, shall, or shall cause the Bond Commission to, annually transfer from the Series 2017 A Bonds Reserve Account to the Series 2017 A Bonds Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2017 A Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2017 A Bonds Reserve Account an amount at least equal to the Series 2017 A Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2017 A Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If no longer funded with a Municipal Bond Debt Service Reserve Insurance Policy equal to the Series 2017 A Bonds Reserve Requirement and the amounts on deposit in the Series 2017 A Bonds Reserve Account shall, at any time, be less than the applicable Series 2017 A Bonds Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the respective sinking funds for the Prior Bonds and the Series 2017 A Bonds Sinking Fund and otherwise in accordance with Section 4.03(3).

(E) All amounts representing accrued and capitalized interest, if any, shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2017 A Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(F) Notwithstanding the foregoing, all monies deposited in the Series 2017 A Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the Issuer hereby instructs the Mayor to take all actions necessary for the Issuer to comply with the continuing disclosure agreement.

Section 5.03. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2017 A Bonds in such manner and to such extent as may be necessary, so that such Series 2017 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Series 2017 A Bonds) so that the interest on the Series 2017 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.04. Tax Certificate, Rebates, and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2017 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2017 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the Combined Utility System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefore. The Issuer at its expense may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.04. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.04 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2017 A Bonds from gross income for federal income tax purposes.

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2017 A Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2017 A Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2017 A Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. The Series 2017 A Bonds not to be Indebtedness of the Issuer. The Series 2017 A Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the Combined Utility System, the monies in the Series 2017 A Bonds Sinking Fund and all accounts therein, the unexpended proceeds of the Series 2017 A Bonds or monies in the Series 2017 A Bonds Construction Fund, if any, all as herein provided. No Holder or Holders of any Series 2017 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2017 A Bonds or the interest thereon.

Section 6.03. Series 2017 A Bonds Secured by Pledge of Gross Revenues and Monies in Series 2017 A Bonds Sinking Fund. The payment of the debt service of all of the Series 2017 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the Combined Utility System on a parity with one another and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds, the Series 2017 B Bonds (if issued) and hereinafter issued Additional Parity Bonds, and with respect to the Series 2017 A Bonds, all monies and securities in the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, to the extent necessary to make the payments required under Section 4.03. The Gross Revenues derived from the Combined Utility System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, the Series 2017 A Bonds herein authorized, the Series 2017 B Bonds (if issued) and any hereinafter issued Additional Parity Bonds, and to make the payments into the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, are pledged *pari passu* by the Issuer.

Section 6.04. Rates. Equitable rates or charges for the use of and service rendered by the Combined Utility System have been established all in the manner and form required by law. Copies of such rates and charges so established may be obtained from the Board by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the Combined Utility System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the Combined Utility System (i) to provide for all Operating Expenses of the Combined Utility System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations secured by a lien on or payable from such Gross Revenues on a parity with the Series 2017 A Bonds, including the Prior Bonds, the Series 2017 B Bonds (if issued) and any hereinafter issued Additional Parity Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the Combined Utility System within 120 days following a determination of an Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

The Issuer expressly reserves the right to reduce the rates for the Combined Utility System, whether approved or in effect as of the date of issuance of the Series 2017 A Bonds, in the event that, based on a certificate of an Independent Certified Public Accountant, after any such decrease in rates, the Issuer will meet the requirements of this Section 6.04 and is not in default under any other provision of any ordinance authorizing any bonds or other indebtedness secured by the Gross Revenues of the Combined Utility System.

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

The Issuer either has, or will, obtain all permits required by state and federal laws for the acquisition, construction and equipping of the Project.

Section 6.06. Sale of the Combined Utility System. So long as the Prior Bonds and the Series 2017 B Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the Combined Utility System, except as provided by the Prior Ordinances and the Series 2017 B Ordinance, respectively. Additionally, so long as the Series 2017 A Bonds are Outstanding, the Combined Utility System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the Combined Utility System shall be immediately remitted to the Bond Commission for deposit in the Series 2017 A Bonds Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Revenues of the Combined Utility System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the Combined Utility System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $1,000,000, the Board shall, in writing, determine that such property comprising a part of the Combined Utility System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be used for any lawful purpose of the Combined Utility System. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $1,000,000 but not in excess of $5,000,000, the Board shall first obtain the written approval of the Consulting Engineers that such property comprising a part of the Combined Utility System is no longer necessary, useful or profitable in the operation thereof, and the Board may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any

such sale, lease or other disposition of such property, in excess of $1,000,000 and not in excess of $5,000,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the Combined Utility System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $5,000,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of (i) any applicable Bond Insurer, or (ii) if the Series 2017 A Bonds are not insured, the Holders, or their duly authorized representatives, of 60% in an amount of Series 2017 A Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer or the then Holders of the Series 2017 A Bonds for the disposition of the proceeds from the sale, lease or other disposition of such properties of the Combined Utility System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, payable from the Gross Revenues of the Combined Utility System which rank prior to, or equally, as to lien on and source of and security for payment from the Gross Revenues with the Series 2017 A Bonds, the Prior Bonds and the Series 2017 B Bonds (if issued); and all obligations hereafter issued by the Issuer payable from the Gross Revenues of the Combined Utility System, except such Additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such Gross Revenues and in all other respects to the Series 2017 A Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2017 A Bonds, upon any of the income and revenues of the Combined Utility System pledged for payment of the principal of, and interest on the Series 2017 A Bonds in this Ordinance or upon the Combined Utility System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds and the Series 2017 B Bonds are outstanding the limitations on the issuance of parity obligations set forth in the Prior Ordinances and the Series 2017 B Ordinance, respectively, authorizing such bonds shall be applicable. In addition, no Additional Parity Bonds, as in this section defined, payable out of the Gross Revenues of the Combined Utility System shall be issued after the issuance of the Series 2017 A Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition, construction and/or equipping of additions, betterments and/or improvements for the Combined Utility System, refunding all or a portion of one or more series of the Series 2017 A Bonds, the Prior Bonds and/or the Series 2017 B Bonds (if issued), refunding all or a portion of any series of Additional Parity Bonds hereinafter issued, paying claims which may exist against the revenues or facilities of the Combined Utility System, or all of such purposes.

No such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Certified Public Accountant reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the Combined Utility System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the date of issuance

of such Additional Parity Bonds, shall be not less than 115% of the Maximum Annual Debt Service on the following:

(1) The Series 2017 A Bonds then Outstanding;

(2) The Prior Bonds and Series 2017 B Bonds (if issued) then Outstanding;

(3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

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

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

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

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean evidence of indebtedness, specifically including, but not limited to, bonds and notes issued under the provisions and within the limitations of the Act and this section, payable from the Gross Revenues of the Combined Utility System on a parity with the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and the Prior Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the Combined Utility System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the Combined Utility System of which is subject to the prior and superior lien of the Series 2017 A Bonds, the Series 2017 B Bonds (if issued), the Prior Bonds and any theretofore issued Additional Parity Bonds on such Gross Revenues. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the Combined Utility System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Revenues with the Series 2017 A Bonds except in the manner and under the conditions provided in this section.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on

account of the Series 2017 A Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in this Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2017 A Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense of the Combined Utility System, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation covering the following risks and in the following amounts:

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

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

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

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

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

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

The Issuer and/or the Board shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract.

The Issuer and/or the Board shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project.

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

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

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

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the Combined Utility System.

Section 6.13. Books and Records. The Board will keep books and records of the Combined Utility System, which shall be separate and apart from all other books, records and accounts of the Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the Combined Utility System. Any Holder of a Series 2017 A Bond shall have the right at all reasonable times to inspect the Combined Utility System, and all parts thereof, and all records, accounts and data of the Board relating thereto.

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

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

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

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

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

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2017 A Bonds, a statutory mortgage lien upon the Combined Utility System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2017 A Bonds and shall be on a parity with all series of the Series 2017 A Bonds and with the statutory mortgage lien in favor of the Holders of the Prior Bonds and the Series 2017 B Bonds (if issued).

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2017 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2017 A Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series

2017 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2017 A Bonds during the terms thereof is, under the terms of such Series 2017 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2017 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Combined Utility System, or if the Series 2017 A Bonds are for the purpose of financing more than one project, a portion of the Combined Utility System, and shall not exceed the proceeds used for the governmental use of that portion of the Combined Utility System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2017 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2017 A Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2017 A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2017 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. Without limiting the generality of the foregoing, the Issuer agrees to comply with the provisions of the Tax Certificate, which are hereby incorporated herein. This covenant shall survive payment in full or defeasance of the Series 2017 A Bonds.

Section 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer may obtain a Municipal Bond Insurance Policy for all, or certain maturities, of the Series 2017 A Bonds. In the event such Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2017 A Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2017 A Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.19. Covenants Regarding the Municipal Bond Debt Service Reserve Insurance Policy. The Issuer intends to obtain a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2017 A Bonds Debt Service Reserve Account in an amount equal to the Series 2017 A Bonds Reserve Requirement. In the event such Municipal Bond Debt Service Reserve Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2017 A Bonds, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.20. Continuing Disclosure Agreement. The Issuer shall deliver a Continuing Disclosure Agreement, Dissemination Agent Agreement or Continuing Disclosure Certificate in form acceptable to the Original Purchaser, the form of which shall be approved by the Supplemental Resolution, sufficient to ensure compliance with Rule 15c2-12, as it may be amended from time to time, and the Mayor is authorized and directed to execute and deliver such Continuing Disclosure Agreement on behalf of the Issuer, with such changes as the Mayor shall approve, such approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by the Mayor. The Mayor and Clerk are further authorized to take all actions necessary for the Issuer to comply with the Continuing Disclosure Agreement.

Section 6.21 Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2017 A Bonds shall be and the same is hereby approved. The Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Mayor is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2017 A Bonds and as the Mayor may approve (the "Official Statement"). The execution of the Official Statement by the Mayor shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.22. Bond Purchase Agreement. The Series 2017 A Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2017 A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2017 A Bond; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or Supplemental Resolution or in the Series 2017 A Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Bond Insurer; or

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

(D) If the Series 2017 B Bonds are issued, default occurs with respect to the Series 2017 B Bonds or the Series 2017 B Ordinance; or

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

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

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

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

(C) Bring suit upon the Series 2017 A Bonds, as applicable;

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

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

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute, all pro rata, with respect to the Prior Bonds, the Series 2017 B Bonds (if issued) and the Series 2017 A Bonds, in accordance with the respective principal amounts then Outstanding.

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

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

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the Combined Utility System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Series 2017 A Bonds and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the Combined Utility System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Series 2017 A Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and

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

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

Any receiver appointed as provided herein shall hold and operate the Combined Utility System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Holders of the Series 2017 A Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the Combined Utility System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the Combined Utility System, for the sole purpose of the protection of both the Issuer and the Holders of the Series 2017 A Bonds, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said Combined Utility System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the Combined Utility System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Holders of the Series 2017 A Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee representing the Holders of the Series 2017 A Bonds shall consider the effect on the Holders of the Series 2017 A Bonds as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Holders of the Series 2017 A Bonds. In case any Holder of the Series 2017 A Bonds shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Holder of the Series 2017 A Bonds shall be restored to their former positions and rights hereunder, and all rights and remedies of such Holder of the Series 2017 A Bonds shall continue as if no such proceedings had been taken.

ARTICLE VIII
REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2017 A Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2017 A Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their

accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2017 A Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2017 A Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

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

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2017 A Bonds, the first exchange of Series 2017 A Bonds and the exchange of Series 2017 A Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2017 A Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2017 A Bonds, or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2017 A Bonds Outstanding.

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

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer or by the Holders of a majority in principal amount of the Series 2017 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the applicable Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided, that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a

receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2017 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within twenty (20) days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within forty-five (45) days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

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

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

Section 8.11. Adoption of Authentication. In case any of the Series 2017 A Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The West Virginia Municipal Bond Commission shall initially serve as Paying Agent as required by the Act. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2017 A Bonds shall be and remain DTC-Eligible.

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

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be

sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within thirty (30) days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

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

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

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

ARTICLE IX
DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2017 A Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Gross Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2017 A Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2017 A Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2017 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2017 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2017 A Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Series 2017 A Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2017 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the

principal of and redemption premium, if any, and interest to become due on said Series 2017 A Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X
MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2017 A Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2017 A Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Holder of the Series 2017 A Bonds or other person, be amended, modified or supplemented in any manner which, in the written opinion of Bond Counsel, does not materially adversely affect the interests of the Holder of the Series 2017 A Bonds or any Bond Insurer; provided, that in the event any of the Series 2017 A Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Series 2017 A Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made (i) without the written consent of the Holders of 60% in aggregate principal amount of the Series 2017 A Bonds then Outstanding and affected thereby; or (ii) the Bond Insurer. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2017 A Bond without the express written consent of the Holder of such Series 2017 A Bond, nor reduce the percentage of Series 2017 A Bonds required for consent to any such modification or amendment.

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

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

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

C. The amount of fully registered Series 2017 A Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Series 2017 A Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

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

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

Section 10.04. Cancellation of Bonds. All Series 2017 A Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Series 2017 A Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2017 A Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

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

ISSUER

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

With copy to:

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

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

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

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

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

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

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

Section 10.07. No Personal Liability. No member of the Council, the Board or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any of the Series 2017 A Bonds, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2017 A Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2017 A Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2017 A Bonds, the Bond Insurer and the Original Purchaser.

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

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

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

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Dominion Post*, a newspaper published and having a general circulation in The City of Morgantown, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2017 A Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 3rd day of January, 2017, at 7:00 p.m., in the Council Chambers of the City Hall, Morgantown and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

[*Remainder of Page Intentionally Left Blank*]

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

First Reading:	December 6, 2016
Second Reading:	December 20, 2016
Effective following Public Hearing held on:	January 3, 2017

THE CITY OF MORGANTOWN

Mayor

[SEAL]

ATTEST:

City Clerk

7342097

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of THE CITY OF MORGANTOWN at a regular meeting of the City Council held on January 3, 2017, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in The City of Morgantown, the first publication having been not less than 10 days prior to such public hearing.

Dated: June 28, 2018

[SEAL]

Linda L Tucker
City Clerk

7342097

EXHIBIT A – FORM OF SERIES 2017 A BONDS

[DTC Legend]

No. AR-_____

$_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2017 A Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2017 A Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2017 A Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2017 A Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a

default in the payment of Series 2017 A Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2017 A Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2017 A Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2017 A" (the "Series 2017 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2017, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the Costs of design, acquisition, construction and equipping of the Project; (ii) [to pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2017 A Bonds;] (iii) [to fund a reserve account for the Series 2017 A Bonds/to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2017 A Bonds] in an amount equal to the Series 2017 A Bonds Reserve Requirement; and (iv) to pay certain costs of issuance of the Series 2017 A Bonds and related costs. The Series 2017 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January ___, 2017, and supplemented by a supplemental resolution adopted by said City Council on _____, 2017 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2017 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2017 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

[The Series 2017 A Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Bond Insurer]___.]

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

(1) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 1995 (WEST VIRGINIA SRF PROGRAM), DATED APRIL 27, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,601,477 (THE "SERIES 1995 BONDS");

(2) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 A (WEST

VIRGINIA SRF PROGRAM), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,842,000 (THE "SERIES 2000 A BONDS");

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

(4) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 8, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,812,470 (THE "SERIES 2001 A BONDS");

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

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

(7) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(8) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $81,600 (THE "SERIES 2010 B BONDS");

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

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

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

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(13) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 C (BANK QUALIFIED), DATED OCTOBER 5, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,330,000 (THE "SERIES 2012 C BONDS");

(15) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(16) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

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

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

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

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

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

(22) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(23) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS"); AND

(24) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2017, ISSUED COTEMPORANEOUSLY HERWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2017 B BONDS")

The Series 2017 A Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

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

the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Series 2017 A Bonds maturing on _____, 20_____ and 20_____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing _____ 1, 20

Year (1)	Principal Amount

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* Final Maturity

In the event of any redemption of less than all outstanding Series 2017 A Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2017 A Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2017 A Bonds are to be redeemed, the Series 2017 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2017 A Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2017 A Bond or Series 2017 A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2017 A Bonds or portions of Series 2017 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2017 A Bonds or portions of Series 2017 A Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2017 A Bond.

The Series 2017 A Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined

Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2017 A Bonds Sinking Fund, and the Series 2017 A Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2017 A Bonds, including monies in the Series 2017 A Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2017 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2017 A Bonds Sinking Fund and the Series 2017 A Bonds Reserve Account and the unexpended proceeds of the Series 2017 A Bonds, including monies in the Series 2017 A Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2017 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2017 A Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2017 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2017 A Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2017 A Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, [pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of and interest on the Series 2017 A Bonds], [fund a reserve account for the Series 2017 A Bonds/pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy] in amount equal to the Series 2017 A Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2017 A Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2017 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2017 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2017 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2017 A Bonds of which this Series 2017 A Bond is one.

This Series 2017 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2017 A Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2017 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2017 A Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2017 A Bond to the same extent as if written fully herein.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2017 A Bond to be dated as of the Series 2017 A Bond Date specified above.

[SEAL]

[Manual or facsimile signature]
Mayor

ATTEST:

[Manual or facsimile signature]
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2017 A Bond is one of the fully registered Series 2017 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2017 A Bonds.

Dated: _____, 2017.

_____,
As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2018 B (Tax Exempt)

CERTIFICATE OF DETERMINATIONS

The undersigned, William Kawecki, Mayor of The City of Morgantown (the "Issuer"), in accordance with the Series 2018 B Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on June 5, 2018 (the "Series 2018 B Supplemental Parameters Resolution"), with respect to the Issuer's Combined Utility System Revenue Bonds, Series 2018 B (Tax Exempt) (the "Series 2018 B Bonds"), hereby finds and determines this 21st day of June, 2018, as follows:

1. The Series 2018 B Bonds shall be dated June 28, 2018 and shall bear interest on June 1 and December 1 of each year commencing December 1, 2018.

2. The Series 2018 B Bonds shall be issued in the aggregate principal amount of $44,260,000. The interest rates on the Series 2018 B Bonds do not exceed 8.0%, being the maximum interest rate authorized by the Series 2018 B Ordinance.

3. The Series 2018 B Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2018 B Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2018 B Bonds shall be subject to optional and/or mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.

6. The Series 2018 B Bonds shall be sold to Bank of America Merrill Lynch and Crews & Associates, Inc. (collectively, the "Underwriters"), pursuant to the terms of the Bond Purchase Agreement by and among the Underwriters and the Issuer, dated as of the date hereof, at an aggregate purchase price of $48,159,050.92 (representing par value less an Underwriters' discount of $190,069.98 and plus net premium of $4,089,120.90).

7. The forms of the Bond Purchase Agreement, the Tax Certificate, the Disclosure Dissemination Agent Agreement, the Official Statement and the Rule 15c2-12 Certificate attached hereto are hereby approved.

8. The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by Build America Mutual Assurance Company ("BAM") to fund the Series 2018 B Bonds Reserve Account will result in a cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Debt Service Reserve Insurance Policy, and accordingly accepts the Municipal Bond Debt Service Reserve Insurance Commitment (the "Series 2018 B Reserve Commitment") dated June

21, 2018. The Mayor is hereby authorized to execute the Reserve Commitment and deliver the same to BAM.

9. Pursuant to the Series 2018 B Reserve Commitment, and, as permitted by Section 16 of the Series 2018 B Supplemental Parameters Resolution, the covenants and provisions which are required by BAM as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 B Bonds Reserve Account are attached hereto as Exhibit A and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Ordinance and applicable to the Series 2018 B Bonds.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2018 B Bonds are within the parameters prescribed by the Series 2018 B Supplemental Parameters Resolution, and the Series 2018 B Bonds may be issued with such terms and conditions as authorized by the Series 2018 B Supplemental Parameters Resolution.

[Remainder of Page Intentionally Blank]

WITNESS my signature the day and year first written above.

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

627490.00055

SCHEDULE 1

$44,260,000
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS
SERIES 2018 B (TAX EXEMPT)

Principal Amounts, Interest Rates and Prices

$15,830,000 Series 2018 B Serial Bonds

Maturity Date	Amount	Rate	Yield	Price
12/1/2019	$970,000	5.000%	1.620%	104.741
12/1/2020	$485,000	5.000%	1.800%	107.558
12/1/2021	$535,000	5.000%	1.970%	109.986
12/1/2022	$585,000	5.000%	2.090%	112.236
12/1/2023	$645,000	5.000%	2.240%	114.023
12/1/2024	$190,000	3.000%	2.420%	103.430
12/1/2025	$220,000	3.000%	2.570%	102.888
12/1/2026	$255,000	3.000%	2.710%	102.170
12/1/2027	$295,000	3.000%	2.830%	101.396
12/1/2028	$335,000	3.000%	2.940%	100.511*
12/1/2029	$385,000	3.000%	3.080%	99.232
12/1/2030	$435,000	3.125%	3.220%	99.031
12/1/2031	$495,000	3.125%	3.260%	98.540
12/1/2032	$990,000	3.250%	3.360%	98.748
12/1/2033	$1,215,000	5.000%	3.110%	116.030*
12/1/2034	$1,330,000	5.000%	3.160%	115.568*
12/1/2035	$1,430,000	3.500%	3.600%	98.711
12/1/2036	$1,540,000	5.000%	3.230%	114.925*
12/1/2037	$1,675,000	5.000%	3.270%	114.559*
12/1/2038	$1,820,000	5.000%	3.290%	114.376*

$19,585,000 5.000% Term Bond Maturing December 1, 2043 at 3.410% Yield 113.290* Price

$8,845,000 4.000% Term Bond Maturing December 1, 2048 at 3.900% Yield 100.814* Price

* Priced to an optional call date of June 1, 2028.

Optional and Mandatory Redemption

Optional Redemption

The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after December 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

Mandatory Redemption

The Term Bonds due December 1, 2043 and December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	$1,965,000
2040	$2,120,000
2041	$4,910,000
2042	$5,160,000
2043*	$5,430,000

* Final Maturity

Year	Principal Amount
2044	$5,700,000
2045	$3,035,000
2046	$35,000
2047	$35,000
2048*	$40,000

* Final Maturity

EXHIBIT A

PROVISIONS RELATING TO MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

Municipal Bond Debt Service Reserve Insurance Commitment

[insert]



REVISED

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT (STAND ALONE)

ISSUER:	The City of Morgantown, West Virginia	EFFECTIVE DATE:	June 21, 2018
		EXPIRATION DATE:	September 18, 2018
MEMBER:	The City of Morgantown, West Virginia		
BONDS:	Combined Utility System Revenue Bonds, Series 2018B (Tax Exempt)		

INSURANCE PAYMENT: $53,505.71

POLICY LIMIT: $3,567,047.00. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement for the Bonds.

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM") hereby commits, subject to the terms and conditions contained herein or added hereto, to issue its Municipal Bond Debt Service Reserve Insurance Policy (the "Policy") relating to the Bonds referenced above (the "Bonds") issued by or on behalf of the Member. To keep this Commitment in effect after the Expiration Date set forth above, a written request for renewal must be submitted to BAM prior to such Expiration Date. BAM reserves the right to grant or deny a renewal in its sole discretion.

THE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED OR WAIVED BY BAM, AND THE ISSUER AND MEMBER AGREE AS FOLLOWS:

1. The documents to be, or that have been, executed and delivered in connection with the issuance and sale of the Bonds (collectively, the "Security Documents") are in full force and effect and no default, breach or events of default (or event which with notice or the lapse of time would constitute an event of default) has occurred and is continuing under any of the Security Documents. The Security Documents shall not contain any untrue or misleading

statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.

2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof.

3. The Policy shall expire on the earlier of (a) final maturity date of the Bonds and (b) the date the Bonds are no longer outstanding under the Security Documents.

4. As of the effective date of the Policy, there shall have been no material adverse change in, as to or affecting (i) the Member or the Bonds, including, without limitation, the security for the Bonds, (ii) any disclosure document relating to the Bonds, (iii) any financial statements or other information submitted to BAM, (iv) the Security Documents to be, or that have been, executed and delivered with respect to the Bonds, (v) any project to be, or that has been, financed with the proceeds of the Bonds (if applicable), (vi) the legal opinions to be, or that have been, delivered in connection with the issuance and sale of the Bonds, or (vii) any other information submitted to BAM, including the debt service schedule of the Bonds, from information previously provided to BAM.

5. The applicable Security Documents shall contain the document provisions set forth in **Exhibit A** hereto. No variation shall be permitted therefrom except as specifically approved by BAM in writing.

6. None of the Security Documents, the Bonds or any disclosure document relating to the Bonds shall contain any reference to BAM, the Policy or the insurance evidenced thereby except as may be approved in writing by BAM.

7. BAM SHALL BE PROVIDED WITH AN ELECTRONIC COPY OF THE OFFICIAL STATEMENT RELATING TO THE BONDS SEVEN (7) DAYS PRIOR TO CLOSING, unless BAM shall agree in writing to a shorter period.

8. BAM shall be provided with:

(a) Copies of all drafts of the Security Document prepared subsequent to the date of this Commitment (blacklined to reflect all revisions from previously reviewed drafts) for review and approval. Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period.

(b) Copies of any consulting reports, feasibility studies, rate reports, engineer's reports or similar expert reports for review and approval, along with any revisions thereto (blacklined to reflect all revisions from previously reviewed drafts). Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period.

(c) The amortization schedule for, and final maturity date of, each series of Bonds.

(d) A No-Litigation Certificate or a description of all material pending litigation relating to the Issuer, Member or the Bonds and any opinions BAM shall request in connection therewith.

(e) A description of any material change in the Member's financial position from and after the date of the financial statements provided to BAM.

(f) A copy of the Debt Service Reserve Agreement [between] the [Issuer,] Member and BAM (the "Agreement"), substantially in the form of **Exhibit B**, duly executed by the [Issuer and the] Member, subject only to such changes as shall be agreed to by BAM, as evidenced by BAM's execution thereof.

(g) Executed copies of all Security Documents, the Official Statement relating to the Bonds and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the closing date and which, except for the opinions of counsel relating to the adequacy of disclosure, shall be addressed to BAM or accompanied by a letter of such counsel permitting BAM to rely on such opinion as if such opinion were addressed to BAM), including, without limitation, the unqualified approving opinion of bond counsel, in form and substance satisfactory to BAM and legal opinion(s) of nationally recognized bond counsel as to due authorization, validity and enforceability of the Security Documents, which legal opinion(s) shall be addressed to BAM. The foregoing shall be in form and substance acceptable to BAM. (For your information, the form of legal opinion to be delivered by BAM upon issuance of the Policy is attached hereto as **Exhibit C**.)

(h) An opinion(s) of nationally recognized bond counsel or other counsel acceptable to BAM, addressed and in form and substance satisfactory to BAM, (i) as to the due authorization, validity and enforceability of the Agreement, (ii) that the repayment of draws under the Policy and all Policy Costs are secured by and payable from [Net Revenues] in accordance with the terms of the Agreement, (iii) if applicable, that the Reserve Policy constitutes an instrument eligible for deposit to the credit of the debt service reserve fund or account (the "Reserve Fund") under the Security Documents, and (iv) as to such other matters as BAM shall reasonably request.

(i) Evidence of wire transfer in federal funds of an amount equal to the Insurance Payment, unless alternative arrangements for the payment of such amount acceptable to BAM have been made prior to the issuance of the Policy.

9. The Security Documents shall secure repayment of draws under the Policy and all Policy Costs consistent with the terms of the Agreement.

10. Bonds must have an underlying, long-term rating of at least:

A+	Standard and Poor's
A1	Moody's Investors Service
NR	Fitch Ratings

11. Promptly, but in no event more than thirty (30) days after the issuance of the Policy, BAM shall receive two (2) CD-ROMs, which contain the final closing transcript of proceedings with respect to the Bonds and the issuance of the Policy or if CD-ROMs are not available, such other electronic form as BAM shall accept.

12. To maintain this commitment until the Expiration Date set forth above, BAM must receive a copy of the signature page of this Commitment fully executed by an authorized officer of the undersigned by the earlier of the date on which the Official Statement containing disclosure language regarding BAM is circulated, if any, and ten (10) days after the date of this Commitment.

REPRESENTATION AND AGREEMENT BY BAM

(a) BAM is a mutual insurance corporation organized under the laws of, and domiciled in, the State of New York.

(b) BAM covenants that it will only insure obligations of states, political subdivisions, an integral part of states or political subdivisions or entities otherwise eligible for the exclusion of income under Section 115 of the Internal Revenue Code of 1986, as amended, or any successor thereto.

(c) BAM covenants that it will not seek to convert to a stock insurance corporation.

(d) The issuance of the Policy qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

BUILD AMERICA MUTUAL ASSURANCE COMPANY



Authorized Officer

June 21, 2018

Date

AGREED AND ACCEPTED

The undersigned agrees and accepts the conditions set forth above and further agrees that (i) if the debt service reserve fund requirement for the Bonds is met by a credit instrument, such credit instrument shall be a Reserve Policy provided by BAM in accordance with the terms of this Commitment; (ii) it has made an independent investigation and decision as to whether to obtain the Policy and whether the Policy is appropriate or proper for it based upon its judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) BAM has not made, and therefore it is not relying on, any recommendation from BAM that the Policy be obtained, it being understood and agreed that any communications from BAM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, and any related insurance document or the documentation governing the Bonds, do not constitute a recommendation to obtain the Policy; (iv) the undersigned acknowledges that BAM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, as to its future financial strength or the rating of BAM's financial strength by the rating agency; (v) the undersigned acknowledges that a credit or claims-paying rating of BAM assigned by a rating agency reflects only the views of, and an explanation of the significance of any such rating may be obtained only from, the assigning rating agency, any such rating may change or be suspended, placed under review or withdrawn by such rating agency if circumstances so warrant, and BAM compensates a rating agency to maintain a credit or claims-paying ability rating thereon, but such payment is not in exchange for any specific rating or for a rating within any particular range; (vi) the undersigned acknowledges that BAM may in its sole and absolute discretion at any time request that a rating agency withdraw any rating maintained in respect of BAM. Notwithstanding anything to the contrary set forth herein, upon issuance of the Policy, the provisions set forth under subparagraphs (i) through (vi) above and the representations and agreements of BAM shall survive the expiration or termination of this Commitment.

THE CITY OF MORGANTOWN, WEST VIRGINIA

By:_____
Authorized Officer

_____
Date

EXHIBIT A

DOCUMENT PROVISIONS

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in the Authorizing Documents the Issuer and the Trustee agree to comply with the following provisions:

(a) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") and pay all related reasonable expenses incurred by BAM (the "Reserve Insurer"). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Reserve Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Reserve Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Reserve Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Reserve Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the debt service reserve fund or account established for the Bonds (the "Reserve Fund") and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Debt Service Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other credit facility on deposit in the Reserve Fund in lieu of cash ("Reserve Fund Credit Instrument").

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Fund Credit Instrument without regard to the legal or

financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

(b) Draws under the Reserve Policy may only be used to make payments on Bonds covered under the Reserve Policy.

(c) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this [Indenture], the [Lease/Loan Agreement], or any other document executed in connection with the Bonds (collectively, the "Security Documents").

(d) The Security Documents shall not be discharged until all Policy Costs owing to the Reserve Insurer shall have been paid in full. The Issuer's oblgation to pay such amount shall expressly survive payment in full of the Bonds.

(e) The Reserve Policy shall expire and terminate in accordance with the terms and provisions of the Reserve Policy [and Debt Service Reserve Agreement].

(f) Any amendment, supplement, modification to, or waiver of any of the Security Documents that requires the consent of the Owners of the Bonds or adversely affects the rights or interest of the Reserve Insurer shall be subject to the prior written consent of the Reserve Insurer.

(g) The Reserve Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(h) Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test [anti-dilution test] and the rate covenant in the Security Documents.

(i) The [Trustee] [Paying Agent] shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and shall provide notice to the Reserve Insurer in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Issuer with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall give notice to the Reserve Insurer of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.

(j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Reserve Insurer may pay or incur, including, but not limited to, fees and expenses of the Reserve Insurer's agents, attorneys, accountants, consultants, appraisers and auditors

and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this [Indenture] or any other Security Document ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Reserve Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Reserve Insurer until the date the Reserve Insurer is paid in full.

(k) Payments made by the Reserve Insurer under the Reseve Policy with respect to claims for interest on or principal of the Bonds shall not discharge the obligation of the Issuer with respect to such Bonds, and BAM shall become the owner of such unpaid Bonds and claims for the interest thereon. The Issuer and the Trustee recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, the Reserve Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.

(l) In order to secure the Issuer's payment obligations with respect to Policy Cost, there is hereby granted and perfected in favor of the Reserve Insurer a security interest (subordinate only to that of the owners of the Bonds) in all revenues and collateral pledged as security for the Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Bonds, including following the occurrence of a default or event of default.

(m) [The [Obligor] shall be obligated to pay, as an additional [loan, lease or rental] payment, to the Trustee for deposit to the Reserve Fund an amount equal to the debt service reserve fund replenishment under the [Indenture], including amounts required to repay draws and Policy Costs under the Reserve Policy.]

(n) Notice and Other Information to be given to the Reserve Insurer.

(1) The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Bonds or the Trustee under the Security Documents.

(2) In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon the Reserve Fund within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof.

(3) The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

(4) The notice address of Reserve Insurer is:

Build America Mutual Assurance Company
200 Liberty Street, 27th Floor
New York, NY 10281
Attention: Surveillance, Re: Policy No. _____
Telephone: (212) 235-2500
Telecopier: (212) 235-1542
Email: notices@buildamerica.com

In each case in which notice or other communication refers to an event of default or a claim on the Reserve Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

EXHIBIT B

FORM OF DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated June 28, 2018 (the "Agreement"), by and [between] [among] THE CITY OF MORGANTOWN, WEST VIRGINIA (the "Obligor") [_____ (the "Issuer")] and BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM").

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. 2018N0029 (the "Reserve Policy") with respect to the Combined Utility System Revenue Bonds, Series 2018B (Tax Exempt) [Bonds] (the "Bonds") issued under the [Indenture/Resolution/Ordinance] dated as of _____, between the [Obligor] [Issuer] and the [Trustee] (the "Trustee") (the "Authorizing Document") [, which bonds are secured by the [Lease/Loan] payments of the Obligor under the [Lease/Loan] Agreement dated as of _____ [the "[Lease/Loan] Agreement"] between the Issuer and the Obligor and the other revenue and collateral described in the Authorizing Document,] and the payment to BAM of the Insurance Payment for the Reserve Policy, the Obligor[, Issuer] and BAM hereby covenant and agree as follows:

1. The Obligor shall repay BAM any draws under the Reserve Policy and pay all Administrative Expenses (as defined below) incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate. "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, the Prime Rate shall be the prime or base-lending rate of such national bank as BAM shall designate.

2. Repayment of draws and payment of Administrative Expenses (as defined below) and the interest accrued thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregate of Policy Costs related to such draw*[; provided, however, that all such payments shall be due prior to termination of the [Lease] Agreement dated as of _____ between the Issuer and Obligor]*. Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due. *[For Ca. RDA add: The Obligor shall include the repayment of Policy Costs in its Recognized Payment Obligation Schedule.]*

3. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be reinstated by a like amount, subject to the terms of the Reserve Policy.

4. All cash and investments in the debt service reserve fund or account securing the Bonds (the "Reserve Fund") and any surplus fund or account shall be transferred to the debt service fund for payment of debt service on the Bonds before any drawing may be made on the Reserve Policy or on any alternative credit instrument on deposit in the Reserve Fund ("Alternative Credit Instrument"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Alternative Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to available coverage under each such Alternative Credit Instrument) after applying available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to Alternative Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Alternative Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

   The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

   Draws under the Reserve Policy may only be used to make payments of principal of and interest on the Bonds.

5. The Reserve Policy shall terminate on the earlier to occur of _____, ___ and the date the Bonds are no longer outstanding under the Authorizing Document.

6. If the Obligor shall fail to pay any Policy Costs in accordance with the requirements of the Authorizing Document and this Agreement, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Document, the [Lease/Loan] Agreement or any other document executed in connection with the Bonds (collectively, the "Security Documents").

7. Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Bonds or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

8. The Security Documents shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Obligor's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

9. In order to secure the Obligor's payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the Bonds) in all revenues and collateral pledged as security for the Bonds *[, including, without limitation, the payment obligations of the Obligor under the Lease/Loan Agreement]* ("Pledged Collateral"). Policy Costs shall be paid to BAM immediately following the payment of principal of and interest on the Bonds,

including following the occurrence of a default or event of default. The Obligor shall not make payments from or pledge, assign or grant a security interest in the Pledged Collateral to any provider of an Alternate Credit Instrument that is senior or prior to the payments or security interest granted to BAM by this Paragraph 9.

10. The Obligor shall fully observe, perform and fulfill each of the provisions, covenants and agreements (as each of those provisions, covenants and agreements may be amended, supplemented, modified or waived with, if required by Paragraph 7 above, the prior written consent of BAM) of the Security Documents applicable to it, with each of such provisions, covenants and agreements being expressly incorporated into this Agreement by reference solely for the benefit of BAM as if set forth directly herein.

11. Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Security Documents.

12. The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph 4 hereof and shall provide notice to BAM in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Obligor with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall give notice to BAM of any failure of the Obligor to make timely payment in full of such deposits within two business days of the date due.

13. Payments made by BAM under the Reserve Policy with respect to claims for interest on or principal of the Bonds shall not discharge the obligation of the [Issuer] [Obligor] with respect to such Bonds, and BAM shall become the owner of such unpaid Bonds and claims for the interest thereon. The [Issuer] [Obligor] and the Trustee recognize and agree that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the [Issuer] [Obligor], with interest thereon.

14. The Obligor agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement, the Authorizing Document or any other document executed in connection with the Bonds ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Obligor agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the

unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

15. The obligation of the Obligor to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Obligor and will be paid or performed strictly in accordance with this Agreement [, subject only to abatement as provided in Section __ of the Lease Agreement].

16. So long as a default or event of default has occurred and is continuing under this Agreement, the Authorizing Document or any other document executed in connection with the Bonds, the Obligor shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.

17. Notice and Other Information to be given to the Reserve Insurer.

    a. The Obligor will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Bonds or the Trustee under the Security Documents.

    b. In addition, the Obligor shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon the Reserve Fund within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof.

    c. The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

18. Notices to BAM shall be sent to the following address (or such other address as BAM may designate in writing): Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. 2018N0029, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com; with a copy of such notice or other communication sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214.

19. The Obligor [and Issuer] agrees that any disclosure document or other document relating to the issuance or sale of the Bonds shall not contain any reference to BAM or the Reserve Policy, except as may be approved by BAM.

20. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this

Agreement. In the event of any conflict in the terms of this Agreement and the Authorizing Document, the terms of this Agreement shall control.

21. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Document.

22. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.

23. This Agreement and the rights and obligations of the parties to the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the date first above written.

[OBLIGOR]

By: _____
Title:

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Title:

EXHIBIT C

FORM OF OPINION



[CLOSING DATE]

[ADDRESSEES (ISSUER, MEMBER AND TRUSTEE)]

Re:

DSR Policy: Debt Service Reserve Insurance Policy No. [POLICY NO.]
Member:
Bonds:

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced DSR Policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.

2. The Policy has been duly authorized, executed and delivered by BAM.

3. The Policy constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.

4. The issuance of the Policy qualifies the Member as a member of BAM until the Policy is no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addresses hereof and solely for the purposes of the transaction described above and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,

EXHIBIT 1

Specimen Municipal Bond Debt Service Reserve Insurance Policy

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY (SA)

ISSUER: [NAME OF ISSUER]

MEMBER: [NAME OF MEMBER]

BONDS: [Bonds]

MAXIMUM POLICY LIMIT: $_____

Policy No: _____

Effective Date: _____

Risk Premium: $_____

Member Surplus Contribution: $_____

Total Insurance Payment: $_____

SPECIMEN

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be

reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "**Business Day**" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. "**Debt Service Reserve Agreement**" means the Debt Service Reserve Agreement, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time. "**Due for Payment**" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "**Nonpayment**" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "**Notice**" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy or other acceptable electronic delivery, from and signed by the Trustee or the Paying Agent, which notice shall be in a form and substance satisfactory to BAM and shall specify and include (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions, (e) the date such claimed amount becomes or became Due for Payment, (f) representations and agreements regarding the assignment and subrogation rights of BAM, and (g) such other provisions as BAM may reasonably require. A form of such Notice can be obtained from BAM upon request. "**Owner**" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "**Policy Limit**" means the lesser of (i) Maximum Policy Limit set forth above and (ii) the dollar amount of the debt service reserve fund (or the portion thereof) required to

SPECIMEN

be maintained for the Bonds by the Security Documents from time to time (the "Reserve Account Requirement"). The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement applicable to the Bonds, as provided in the Security Documents. "**Security Documents**" means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement or any similar document and any additional or supplemental document executed in connection with the Bonds. "**Term**" means the period from and including the Effective Date until the Termination Date. "**Termination Date**" means the earlier to occur of (i) the date on which the Bonds are no longer outstanding under the Security Documents and (ii) _____ [date].

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

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In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy: 212-235-1524 (attention: Claims)

SPECIMEN

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. _____ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy, or if not defined therein, in the Debt Service Reserve Agreement.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Debt Service Reserve Agreement and, as of the date hereof, the Policy Limit is $_____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Name:
Title:

SPECIMEN

EXHIBIT 2

IF THE ISSUER ELECTS TO INCLUDE DISCLOSURE ABOUT BAM IN THE OFFICIAL STATEMENT, THE FOLLOWING SHOULD BE USED TO BE PRINTED IN THE BODY OF THE OFFICIAL STATEMENT OR AS AN EXHIBIT

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Debt Service Reserve Insurance Policy relating to the Bonds (the "Reserve Policy") in the form attached hereto as [Exhibit __].

The Reserve Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in

its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM does not guarantee the market price or liquidity of bonds (including the Bonds), nor does it guarantee that the rating on bonds (including the Bonds) will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2017 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $515 million, $87.7 million and $427.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY".

EXHIBIT 4

BAM DIRECTORY

Name	Title	Telephone	Email
BAM ATTORNEYS			
Jill Greiss	**Deputy Counsel**	**212-235-2515**	**jgreiss@buildamerica.com**
CLOSING COORDINATORS			
Nolan Miller		**212-235-2511**	**nmiller@buildamerica.com**
BAM ANALYST			
Alexis Platis		**(212) 235-2524**	**aplatis@buildamerica.com**

The City of Morgantown
Combined Utility Revenue Bonds, Series 2018 B (Tax Exempt)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned Eugene P. Spinelli, Managing Director of Merrill Lynch, Pierce, Fenner & Smith Incorporated, (the "Representative") on behalf of itself and Crews & Associates, Inc. (collectively, with the Representative, the "Underwriters") and William Kawicki, Mayor of The City of Morgantown (the "Issuer"), for and on behalf of the Issuer, hereby certify this 28th day of June, 2018 as follows:

1. On the 28th day of June, 2018, in Charleston, West Virginia, the Underwriters received the entire original issue of $44,260,000 in aggregate principal amount of The City of Morgantown Combined Utility Revenue Bonds, Series 2018 B (Tax Exempt) (the "Series 2018 B Bonds"). The Series 2018 B Bonds, as so received on original issuance, are dated June 28, 2018, are in fully registered form, are numbered from BR-1 upward in order of maturity and all are registered in the name of "CEDE & CO."

2. At the time of such receipt of the Series 2018 B Bonds, they had been executed by the Mayor of the Issuer by his manual signature, and the official seal of the Issuer had been impressed upon each Bond and attested by the City Clerk of the Issuer by her manual signature, and had been authenticated by an authorized officer of United Bank, Charleston, West Virginia, as Registrar.

3. The Issuer has received and hereby acknowledges receipt from the Underwriters, as the original purchaser of the Bonds, of the proceeds of the Series 2018 B Bonds, as follows:

Par Amount of Series 2018 B Bonds	$44,260,000.00
Plus: Net Original Issue Premium	4,089,120.90
Less: Underwriter's Discount	190,069.98
Total	$48,159,050.92

Payment for the Series 2018 B Bonds was made in immediately available funds (federal funds wire) in the amount of $48,159,050.92.

This certificate may be executed in several counterparts, each of which shall be deemed an original hereof.

[Remainder of Page Intentionally Left Blank]

WITNESS our signatures on the day and year first written above.

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By: _____
Its: Managing Director

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

WITNESS our signatures on the day and year first written above.

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By: _____
Its: Managing Director

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

627490.00055

THE CITY OF MORGANTOWN (WEST VIRGINIA)

$44,260,000 Combined Utility System Revenue Bonds, Series 2018 B

DIRECTION TO AUTHENTICATE. REGISTER AND DELIVER BONDS

United Bank, as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

On the 28th day of June, 2018, there are delivered to you herewith as Registrar for the $44,260,000 Combined Utility System Revenue Bonds, Series 2018 B:

1. Bonds Nos. BR-l through BR-22, inclusive, constituting the entire original issue of The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B, dated June 28, 2018, in the aggregate principal amount of $44,260,000 (the "Series 2018 B Bonds"), executed by the Mayor and the City Clerk of The City of Morgantown (the "Issuer") and bearing the official seal of the Issuer. The Series 2018 B Bonds are authorized to be issued under and pursuant to an Ordinance enacted by the Issuer on January 3, 2017, as supplemented by a Supplemental Parameters Resolution and Conformed Ordinance adopted by the Issuer on June 5, 2018 (collectively, the "Bond Legislation").

2. Copies of the Bond Legislation, certified by the City Clerk of the Issuer.

3. The signed, unqualified approving opinion of the Series 2018 B Bonds by Steptoe & Johnson PLLC, as bond counsel.

4. Such other opinions, certificates and documents as shall be reasonably requested by the original purchasers.

You are hereby requested and authorized, pursuant to Section 3.12 of the Bond Legislation, to authenticate, register in the name of CEDE & CO., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC") and deliver the Bonds to DTC, for the account of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Crews and Associates, Inc. as the original purchasers thereof.

Dated as of the day and year first stated above.

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

627490.00055

8039076.1

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-1 $970,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
5.000%	12/01/2019	06/28/2018	61759C CJ5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: NINE HUNDRED SEVENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruin Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, aagent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicord Date (each May 15 and November 15) or, in the event of a default in the payment of Ser B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice gie Registered Owners not less than 10 days prior to said special record date at the address of gistered Owner as it appears on the registration books of the Issuer maintained by United Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bo ire transfer in immediately available funds to a domestic bank account specified in writing b gistered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and p if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bo ayment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is o ssue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B), of like tenor and effect, except as to number, denomination, date of maturity and interest d June 28, 2018, upon original issuance, the proceeds of which are to be used, together wit unds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and g of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insura y for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Req and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. T s 2018 B Bonds are issued under the authority of and in full compliance with the Consti statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the ginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City of the Issuer on January 3, 2017, and supplemented by a supplemental resolution ado said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance subject to all the terms and conditions of said Ordinance. The Ordinance provides for the of additional bonds under certain conditions, and such bonds would be entitled to be paid ed equally and ratably from and by the funds and revenues and other security provided for th 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same amended and supplemented from time to time, for a description of the rights, limitations of ri igations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additiona Executed counterparts or certified copies of the Ordinance are on file at the office of the City The City of Morgantown, West Virginia.

THIS BOND IS ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECUR R PAYMENT, AND IN ALL RESPECTS, WITH THE FOLLOWING COMBINED SYSTEM REVENUE BONDS OF THE ISSUER:

(1) COMBILITY SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM D FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL A OF $7,842,000 (THE "SERIES 2000 A BONDS");

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

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

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(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

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

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(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

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(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

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

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

SPECIMEN

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-2 $485,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
5.000%	12/01/2020	06/28/2018	61759C CK2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FOUR HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-3 $535,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
5.000%	12/01/2021	06/28/2018	61759C CL0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED THIRTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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

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

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

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

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

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

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

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

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

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

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

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

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

SPECIMEN

United Bank,
As Registrar

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-4 $585,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
5.000%	12/01/2022	06/28/2018	61759C CM8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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

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(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

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

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]



Mayor

ATTEST:



City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

By _____
Its Authorized Officer

SPECIMEN

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-5 $645,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
5.000%	12/01/2023	06/28/2018	61759C CN6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SIX HUNDRED FORTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

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(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

SPECIMEN

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-6 $190,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
3.000%	12/01/2024	06/28/2018	61759C CP1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED NINETY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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

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

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

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

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

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

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

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

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

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

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

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

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

SPECIMEN

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-7 $220,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
3.000%	12/01/2025	06/28/2018	61759C CQ9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED TWENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

Mayor

ATTEST

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-8 $255,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
3.000%	12/01/2026	06/28/2018	61759C CR7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED FIFTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

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(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

By _____
Its Authorized Officer

SPECIMEN

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-9 $295,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
3.000%	12/01/2027	06/28/2018	61759C CS5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED NINETY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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

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

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

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

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

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

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

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

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

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

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

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

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-10 $335,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
3.000%	12/01/2028	06/28/2018	61759C CT3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED THIRTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

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(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

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(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

SPECIMEN

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-11 $385,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
3.000%	12/01/2029	06/28/2018	61759C CU0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

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(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

SPECIMEN

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-12 $435,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
3.125%	12/01/2030	06/28/2018	61759C CV8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FOUR HUNDRED THIRTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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

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

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

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

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

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

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

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

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

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

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

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

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

SPECIMEN

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-13 $495,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
3.125%	12/01/2031	06/28/2018	61759C CW6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FOUR HUNDRED NINETY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

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(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

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(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

SPECIMEN

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-14 $990,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
3.250%	12/01/2032	06/28/2018	61759C CX4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: NINE HUNDRED NINETY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

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(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

SPECIMEN

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-15 $1,215,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
5.000%	12/01/2033	06/28/2018	61759C CY2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION TWO HUNDRED FIFTEEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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

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

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

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

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

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

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

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

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

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

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

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

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

Mayor

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

By _____
Its Authorized Officer

SPECIMEN

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-16 $1,330,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
5.000%	12/01/2034	06/28/2018	61759C CZ9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION THREE HUNDRED THIRTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

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(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

By _____
Its Authorized Officer

SPECIMEN

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-17 $1,430,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
3.500%	12/01/2035	06/28/2018	61759C DA3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION FOUR HUNDRED THIRTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

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(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

SPECIMEN

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-18 $1,540,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
5.000%	12/01/2036	06/28/2018	61759C DB1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION FIVE HUNDRED FORTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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

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

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

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

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

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

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

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

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

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

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

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

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-19 $1,675,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
5.000%	12/01/2037	06/28/2018	61759C DC9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION SIX HUNDRED SEVENTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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

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(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

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(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

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(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

SPECIMEN

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-20 $1,820,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
5.000%	12/01/2038	06/28/2018	61759C DD7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION EIGHT HUNDRED TWENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

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(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

SPECIMEN

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-21 $19,585,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
5.000%	12/01/2043	06/28/2018	61759C DE5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: NINETEEN MILLION FIVE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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

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

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

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

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

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

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

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

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

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

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

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

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

SPECIMEN

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-22 $8,845,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
4.000%	12/01/2048	06/28/2018	61759C DF2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: EIGHT MILLION EIGHT HUNDRED FORTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning December 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $44,260,000 designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 28, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the costs of design, acquisition, construction and equipping of the Project; (ii) to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iii) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January 3, 2017, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

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

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

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

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

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

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

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

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

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

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

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

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

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

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

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B

Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been

pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: June 28, 2018.

United Bank,
As Registrar

SPECIMEN

By _____
Its Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue
Suite 1117
Charleston, WV 25302
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 6/28/2018

ISSUE: The City of Morgantown
Combined Utility System Revenue Bonds, Series 2018 B

ADDRESS: 389 Spruce Street, Morgantown, WV 26505 COUNTY: Monongalia

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 6/28/2018 CLOSING DATE: 6/28/2018

ISSUE AMOUNT: $44,260,000.00 RATE: 3% - 5%

1ST DEBT SERVICE DUE: 12/1/2018 1ST PRINCIPAL DUE: 12/1/2019

1ST DEBT SERVICE AMOUNT $864,763.44 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: United Bank
Contact: Tom Provenzano
Phone: 304.348.8427

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Tim Ball
Position: MUB General Manager
Phone: 304.292.8443

OTHER:
Agency: Underwriter - Merrill Lynch, Pierce, Funner & Smith Inc.
Bank of America, N.A.
Contact: Eugene P. Spinelli
Position: Managing Director
Phone: 215.446.7018

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Accrued Interest: $
____ Check ____ Capitalized Interest: $
x Reserve Account: $ see note
____ Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ To Escrow Trustee $
____ Check ____ To Issuer $
____ IGT ____ To Cons. Invest. Fund $
____ To Other: ____ $

NOTES: Series 2018 B Bonds Reserve Account funded with Municipal Bond Debt Service Reserve Policy from Build America Mutual Assurance Company

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

The City of Morgantown
Combined Utility Revenue Bonds, Series 2018 B (Tax Exempt)

REGISTRAR'S CERTIFICATE

United Bank, Charleston, West Virginia (the "Bank"), as Registrar for the above-captioned bonds (the "Series 2018 B Bonds"), hereby certifies this 28th day of June, 2018, as follows, all capitalized terms used herein to have the same meanings set forth in the Bond ordinance of The City of Morgantown (the "Issuer") enacted January 3, 2017, as supplemented by a Supplemental Parameters Resolution and Conformed Ordinance adopted June 5, 2018 (collectively the "Bond Legislation"):

1. The Bank is a Virginia banking corporation authorized to transact business in West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided under the Bond Legislation and to serve in the capacity of Registrar under the Bond Legislation.

2. The Bank has duly authorized, by all necessary action, the authentication of the Series 2018 B Bonds and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Bond Legislation, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the authentication of the Series 2018 B Bonds, and is now, a duly elected, qualified and acting incumbent in his or her office; and, pursuant to authorization from the Board of Directors of the Bank, attached hereto as Exhibit A, such person, in his or her official capacity, was and is authorized to authenticate the Series 2018 B Bonds for and on behalf of the Bank.

4. Appearing opposite the name and title of the person indicated below is a true and correct specimen of his or her signature.

Name	Title	Signature
Thomas Provenzano	Vice President	

5. There have been filed with the Bank all of the documents listed in Section 3.12 of the Bond Legislation and all conditions precedent contained in the Bond Legislation have been fully satisfied and met, and all opinions and certificates are satisfactory and the Series 2018 B Bonds are entitled to the benefit and security of the Bond Legislation; the Series 2018 B Bonds have been duly authenticated and delivered to the Original Purchaser, and proceeds of the Series 2018 B Bonds have been deposited as required by the Bond Legislation.

6. Attached hereto as EXHIBIT B is a correct listing of the Bond numbers, CUSIP numbers, maturity dates, principal amounts, interest rates and yields of the Series 2018 B Bonds.

WITNESS my signature on the day and year first written above.

UNITED BANK

By: _____
Its: Authorized Officer

627490.00055

EXHIBIT A
Resolution of Board of Directors

(on file with Registrar)

RESOLUTION OF THE BOARD OF DIRECTORS
OF UNITED BANK
November 14, 2017

I hereby certify that a meeting of the Board of Directors of United Bank, a corporation organized and existing under and by the virtue of the laws of the Commonwealth of Virginia, held the 14th day of November 2017, at which meeting a quorum was present and acting throughout, the following Resolution was adopted and ever since has been and now is in full force and effect:

WHEREAS, the Board authorizes the Bank's undertaking certain corporate trust indentures, agreements and related documentation and actions and authorizes certain officers to enter into and carry out the same on behalf of the Bank; and

WHEREAS, further formalization of the Board of Directors authorizations with respect to corporate trusts, through the adoption and ratification of the following resolutions, is in the best interests of the Bank;

NOW, THEREFORE, BE IT RESOLVED:

FIRST: That Richard M. Adams, Jr., Vice Chairman, Matthew Humphrey, Executive Vice President, Jane T. Sargent, Senior Vice President, Michelle Wittekind, Senior Vice President, Catherine Houser, Senior Vice President, Kathy Smith, Vice President, Thomas Provenzano, Vice President, Andrew McCully, Vice President, Stacy A. Miller, Vice President and Edward Worthington, Vice President ("Authorized Officers") be, and each of them are, hereby authorized and directed to accept, on behalf of the Bank, its appointment as trustee, paying agent or registrar, or any combination of such offices, under bond or note trust indentures and similar indentures and trust agreements, and to execute and deliver such indentures, agreements, documents and writings ("Corporate Trust Documents") establishing the Bank's duties and evidencing the Bank's acceptance actions in connection with establishing and accepting such duties, as such Authorized Officer determines to be necessary or appropriate, such determination to be conclusively evidenced by such officer's execution and delivery thereof and the taking of such other actions; and

SECOND: That the Authorized Officers of the Bank be, and each of them are, hereby authorized to execute and deliver on behalf of the Bank, as trustee, any such further agreements, certificate and documents ("Related Documents") and to take such further action necessary or incidental to carrying out the Bank's duties under Corporate Trust Documents, whether as trustee, paying agent or registrar for notes, bonds or other obligations ("Bonds") that are the subject of the Corporate

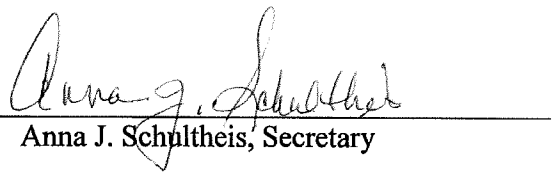
Trust Documents, or otherwise, including but not limited to any certificate of registration and authentication on any Bonds; and

THIRD: The Secretary or any Assistant Secretary be, and each of them is, hereby authorized to affix the seal of the Bank to any Corporate Trust Documents authorized by these resolutions and to attest the same; and

FOURTH: That, for the purpose of affixing the seal of the Bank and attesting thereto upon Corporate Trust Documents authorized by these resolutions, and for any and all matters and actions related thereto or the Bank's duties thereunder, Richard M. Adams, Jr., Matthew Humphrey, Jane T. Sargent, Michelle Wittekind, Kathy Smith, Catherine Houser and Thomas Provenzano be, and each of them are, hereby appointed as an Assistant Secretary of the Bank; and

FIFTH: That any Authorized Officer of the Bank be, and each of them are, hereby authorized to sign as an "Authorized Officer" of the Bank, as trustee, and to take such other actions, as may be required or contemplated by the Corporate Trust Documents or as otherwise may be necessary or incidental to implementing the terms and provisions thereof or carrying out the Bank's duties as trustee, paying agent or registrar with respect thereto.

United Bank

By: 
Anna J. Schultheis, Secretary

Dated: June 27, 2018

EXHIBIT B

The City of Morgantown
Combined Utility Revenue Bonds, Series 2018 B (Tax Exempt)

Bond No.	Maturity Date (December 1)	Principal Amount	Interest Rate	Yield	CUSIP No.
BR-1	2019	970,000.00	5.000%	1.620%	61759C CJ5
BR-2	2020	485,000.00	5.000%	1.800%	61759C CK2
BR-3	2021	535,000.00	5.000%	1.970%	61759C CL0
BR-4	2022	585,000.00	5.000%	2.090%	61759C CM8
BR-5	2023	645,000.00	5.000%	2.240%	61759C CN6
BR-6	2024	190,000.00	3.000%	2.420%	61759C CP1
BR-7	2025	220,000.00	3.000%	2.570%	61759C CQ9
BR-8	2026	255,000.00	3.000%	2.710%	61759C CR7
BR-9	2027	295,000.00	3.000%	2.830%	61759C CS5
BR-10	2028	335,000.00	3.000%	2.940%*	61759C CT3
BR-11	2029	385,000.00	3.000%	3.080%	61759C CU0
BR-12	2030	435,000.00	3.125%	3.220%	61759C CV8
BR-13	2031	495,000.00	3.125%	3.260%	61759C CW6
BR-14	2032	990,000.00	3.250%	3.360%	61759C CX4
BR-15	2033	1,215,000.00	5.000%	3.110%*	61759C CY2
BR-16	2034	1,330,000.00	5.000%	3.160%*	61759C CZ9
BR-17	2035	1,430,000.00	3.500%	3.600%	61759C DA3
BR-18	2036	1,540,000.00	5.000%	3.230%*	61759C DB1
BR-19	2037	1,675,000.00	5.000%	3.270%*	61759C DC9
BR-20	2038	1,820,000.00	5.000%	3.290%*	61759C DD7
BR-21	2043	19,585,000.00	5.000%	3.410%*	61759C DE5
BR-22	2048	8,845,000.00	4.000%	3.900%*	61759C DF2

* Priced to an optional call date of June 1, 2028.

The City of Morgantown
Combined Utility Revenue Bonds, Series 2018 B (Tax Exempt)

REGISTRAR AGREEMENT

THIS AGREEMENT, dated as of the 28th day of June 2018, by and between THE CITY OF MORGANTOWN, a municipality and political subdivision of the State of West Virginia (the "Issuer"), and UNITED BANK, Charleston, West Virginia (the "Bank").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $44,260,000 aggregate principal amount of Combined Utility Revenue Bonds, Series 2018 B (Tax Exempt) (the "Series 2018 B Bonds") in fully registered form pursuant to a Bond Ordinance enacted January 3, 2017, as supplemented by a Supplemental Parameters Resolution and Conformed Ordinance adopted June 5, 2018 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Series 2018 B Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Agreement does appoint the Bank to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Agreement by the Issuer and the Bank and during the term hereof, the Bank does accept and shall have and agrees to perform all of the powers and duties of Registrar, as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver the Series 2018 B Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the excludability from gross income of interest on the Series 2018 B Bonds for purposes of federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Bank agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Bank's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Bank shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Agreement, the Issuer hereby agrees to pay to the Bank, the compensation for services rendered as provided in the annexed fee schedule and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Bank each warrants and represents that it is duly authorized and empowered to execute and enter into this Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

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

REGISTRAR:
United Bank
500 Virginia Street, East
Charleston, West Virginia 25301
Attention: Trust Department

8. The Bank is hereby requested and authorized to authenticate and deliver the Series 2018 B Bonds in accordance with the Bond Legislation.

9. If any one or more of the covenants or agreements provided in this Agreement to be performed on the part of any of the parties hereto shall be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

10. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their respective names and on their behalf, all as of the day and year first above-written.

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

UNITED BANK

By: _____
Its: Authorized Officer

EXHIBIT A

Bond Legislation

[See Transcript at Tabs No. 1, 2 and 3]

FEE SCHEDULE

(On File with Issuer)

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

June 28, 2018

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2018 B

The City of Morgantown
Morgantown, West Virginia

Merrill Lynch, Pierce, Fenner & Smith Incorporated
New York, New York

Crews & Associates, Inc.
Charleston, West Virginia

Build America Mutual Assurance Company
New York, New York

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the authorization, issuance, sale, and the initial delivery on the date hereof, by The City of Morgantown, West Virginia (the "Issuer") of its $44,260,000 aggregate principal amount of Combined Utility System Revenue Bonds, Series 2018 B (Bank Qualified) (the "Series 2018 B Bonds").

The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on January 3, 2017, as supplemented by a Supplemental Parameters Resolution and Conformed Ordinance duly adopted by the Issuer on June 5, 2018 and a Certificate of Determinations dated as of, and executed by the Mayor on, June 21, 2018 (collectively, the "Ordinance"), and are subject to all the terms and conditions of the Ordinance. All capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Ordinance.

The Series 2018 B Bonds are issued in fully registered form, are dated June 28, 2018, mature on December 1 in the years and amounts and bear interest payable each June 1 and December 1, commencing December 1, 2018, all as set forth in the Ordinance.

The Ordinance provides that the Series 2018 B Bonds are being issued by Issuer, to provide funds, along with available funds of the Combined Utility System: (i) to design, acquire, construct and equip certain additions, betterments and improvements to the waterworks and stormwater portions of the Issuer's existing combined potable water, sanitary sewer and stormwater utility system (collectively, the "Project," as further described in the Ordinance); (ii) to fund the Series 2018 B Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the "Series 2018 B Reserve Policy") from Build America Mutual Assurance Company ("BAM" or the "Bond Insurer"); and (iii) to pay Costs of Issuance of the Series 2018 B Bonds and related costs.

The Series 2018 B Bonds have been sold to Merrill Lynch, Pierce, Fenner & Smith Incorporated and Crews & Associates, Inc. (collectively, the "Original Purchasers"), pursuant to a Bond Purchase Agreement dated June 21, 2018 (the "Bond Purchase Agreement"), accepted by the Issuer.

In connection with our engagement as Bond Counsel, we have examined the law and such documents and matters as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Original Purchaser and other entities contained in the Ordinance, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation and have relied upon, and have assumed, due compliance with the provisions of, the proceedings and other documents.

Based upon the foregoing, and assuming compliance with the covenants and representations of the Issuer and others set forth in the Ordinance, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate and such certifications, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing municipal corporation and political subdivision under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt and enact the Ordinance, enter into the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2018 B Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted and enacted the Ordinance; has authorized, executed and delivered the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate; has authorized the distribution of the Official Statement in connection with the marketing and sale of the Series 2018 B Bonds; and has issued and delivered the Series 2018 B Bonds to the Original Purchaser pursuant to the Bond Purchase Agreement. The Ordinance is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto (where applicable), the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms.

4. The Series 2018 B Bonds have been duly authorized, executed and delivered by the Issuer and, assuming proper authentication, constitute valid and legally enforceable special limited obligations of the Issuer, payable from, and secured by a lien on, the Gross Revenues of the Combined Utility System, on a parity with the Prior Bonds, as defined in the Ordinance, and from the unexpended proceeds of the Series 2018 B Bonds. The Series 2018 B Bonds are enforceable in accordance with their terms and the terms of the Ordinance, and are entitled to the benefits of the Ordinance and the Act.

5. We have examined the executed and authenticated Series 2018 B Bonds of said issue, and in our opinion, said Series 2018 B Bonds are in proper form and have been duly executed and authenticated.

6. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2018 B Bonds is excluded from the gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations; *provided, that* the interest on the Series 2018 B Bonds is taken into account as an adjustment to current earnings when computing the federal alternative minimum tax on certain corporations. Ownership of tax-exempt obligations, including the Series 2018 B Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. We offer no opinion as to such collateral tax consequences or any other federal tax consequences arising with respect to the Series 2018 B Bonds. Prospective purchasers of the Series 2018 B Bonds should consult their own tax advisors as to such consequences.

The opinions set forth in this paragraph 6 are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the *"Code"*) that must be satisfied in order for interest on the Series 2018 B Bonds to be or continue to be excludable from gross income for federal income tax purposes and with all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Series 2018 B Bonds set forth in the Ordinance, the Bond Purchase Agreement, the Tax Certificate and the certifications of the Issuer and others. Failure to comply with such Code provisions or such certifications, covenants and representations could cause the interest on the Series 2018 B Bonds to be includable in gross income retroactive to the date of issuance of the Series 2018 B Bonds.

7. Under the Act, the Series 2018 B Bonds and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

8. The Series 2018 B Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2018 B Bonds, to register any securities under said Securities Acts.

It is to be understood that the rights of the holders of the Series 2018 B Bonds and the enforceability of the Series 2018 B Bonds, the Ordinance, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate, and the liens, pledges, rights or remedies with respect thereto, are subject to and may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium

or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We do not express any opinion as to the sufficiency or accuracy of the material, information or financial statements which are set forth in the Official Statement prepared and used in connection with the offering and sale of the Series 2018 B Bonds.

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

Very truly yours,



STEPTOE & JOHNSON PLLC

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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Writer's Contact Information

June 28, 2018

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2018 B (Tax Exempt)

The City of Morgantown
Morgantown, West Virginia

Merrill Lynch, Pierce, Fenner & Smith Incorporated
New York, New York

Crews & Associates, Inc.
Charleston, West Virginia

Build America Mutual Assurance Company
New York, New York

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance and sale by The City of Morgantown (the "Issuer") of its $44,260,000 aggregate principal amount of Combined Utility System Revenue Bonds, Series 2018 B (Tax Exempt) (the "Series 2018 B Bonds"). In our capacity as bond counsel, we are delivering an opinion of even date herewith concerning the legality of the Series 2018 B Bonds and the exclusion of interest on the Series 2018 B Bonds from gross income for federal income tax purposes (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement and such other matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings assigned to them in the Bond Purchase Agreement (the "Bond Purchase Agreement") dated June 21, 2018, among the Issuer and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Crews & Associates, Inc. (collectively, the "Underwriters").

Based upon the foregoing, we are of opinion that:

(1) The Bond Purchase Agreement has been duly executed and delivered by the Issuer and is a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally, to the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State of West Virginia.

(2) The Series 2018 B Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Bond Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(3) The statements contained in the Official Statement under the caption "Tax Matters" are true and accurate in all material respects and present a fair and accurate summary and description of the matters summarized and described under such caption.

(4) The statements contained in the Official Statement on the cover page and in the sections entitled "INTRODUCTION," "PURPOSE AND PLAN OF FINANCING," "THE SERIES 2018 B BONDS," and "SECURITY FOR THE SERIES 2018 B BONDS," insofar as such statements expressly summarize certain provisions of the Ordinance, the Bonds, and the form and content of the approving opinion of Bond Counsel attached as Appendix D to the Official Statement, are accurate in all material respects.

(5) The Debt Service Reserve Agreement, dated June 28, 2018, between the Bond Insurer and the Issuer has been duly authorized, executed and delivered by the Issuer and constitutes a valid, legal, binding and enforceable instrument of the Issuer in accordance with its terms.

(6) The Reserve Policy constitutes an instrument eligible for deposit to the credit of the debt service reserve fund for the Series 2018 B Bond (the "Reserve Fund") under the Ordinance and is in full force and effect.

Very truly yours,

STEPTOE & JOHNSON PLLC

STEPTOE & JOHNSON PLLC
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Writer's Contact Information

June 28, 2018

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2018 B (Tax Exempt)

The City of Morgantown
Morgantown, West Virginia

Merrill Lynch, Pierce, Fenner & Smith Incorporated
New York, New York

Crews & Associates, Inc.
Charleston, West Virginia

Ladies and Gentlemen:

We have served as disclosure counsel in connection with the issuance and sale by The City of Morgantown (the "Issuer") of its $44,260,000 aggregate principal amount of Combined Utility System Revenue Bonds, Series 2018 B (Tax Exempt) (the "Series 2018 B Bonds). We have examined the documents and instruments as described in the Official Statement and such other matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings assigned to them in the Bond Purchase Agreement (the "Bond Purchase Agreement") dated June 21, 2018, between the Issuer and Merrill Lynch, Pierce, Fenner & Smith Incorporated, (the "Representative") on behalf of itself and Crews & Associates, Inc. (collectively, with the Representative, the "Underwriters").

Based upon the foregoing, we are of opinion that:

(i) The Disclosure Agreement in all material respects satisfies Section (b)(5)(i) of Rule 15c2-12; and

(ii) Based upon the information made available to us in the course of our participation in the preparation of the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Official Statement, and having made no independent investigation or verification thereof, nothing has come to our attention which would lead us to believe that the Official Statement as of its date and as of the date hereof (excluding therefrom any information in the Official Statement relating to DTC, the operation of the book-entry system or any other financial or statistical data or projections or estimates or expressions of opinion included in the Official Statement and the appendices thereto, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect.

Very truly yours,

STEPTOE & JOHNSON PLLC

JACKSONKELLY PLLC
500 LEE STREET EAST • SUITE 1600 • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

June 28, 2018

Merrill Lynch, Pierce, Fenner & Smith
Incorporated, as Underwriter
New York, New York

Crews & Associates, Inc.,
as Underwriter
Charleston, West Virginia

Re: $44,260,000 The City of Morgantown (West Virginia)
Combined Utility System Revenue Bonds, Series 2018 B

Ladies and Gentlemen:

We have acted as counsel to you (the "Underwriters") in connection with the issuance and sale by The City of Morgantown, West Virginia (the "Issuer") of its Combined Utility System Revenue Bonds, Series 2018 B (the "Bonds") in the aggregate principal amount of $44,260,000. In connection with rendering this opinion, we have examined (a) the Bond Purchase Agreement dated June 21, 2018 (the "Purchase Agreement"), by and between the Issuer and Merrill Lynch, Pierce, Fenner & Smith Incorporated, acting on behalf of itself, and Crews & Associates, Inc., (b) portions of the Official Statement of the Issuer dated June 21, 2018, relating to the Bonds, (the "Official Statement"), (c) the Disclosure Dissemination Agent Agreement by and between the Issuer and Digital Assurance Certification, L.L.C., as exclusive disclosure dissemination agent, with respect to the Bonds, dated as of June 28, 2018 (the "Disclosure Dissemination Agent Agreement"), (d) the opinions of Steptoe & Johnson PLLC, as Counsel to the Issuer, Timothy Stranko, Esq., as General Counsel to the Morgantown Utility Board ("MUB") and Steptoe & Johnson PLLC, as Bond Counsel, Disclosure Counsel and Issuer's Counsel, dated as of the date hereof and addressed to, among others, you, (e) the Bond Ordinance enacted on January 3, 2017, as supplemented by a Supplemental Parameters Resolution and Conformed Ordinance on June 5, 2018 (collectively, the "Bond Ordinance") and (f) certified copies of proceedings of the Issuer with respect to the Purchase Agreement, the Bond Ordinance, and the Official Statement, as well as such other papers as we deem necessary for purposes of the opinions expressed below. In connection therewith, and in our capacity as your counsel to assist you in your investigations concerning the Official Statement, we have reviewed certain documents and participated in certain conferences with representatives of the Issuer, MUB, Underwriters, Bond Counsel and Disclosure Counsel, and others, during which the contents of the Official Statement and related matters were discussed. However, we did not make any independent investigation of the information provided by any of those parties, and we did not prepare the Official Statement or the Disclosure Dissemination Agent Agreement. We are not passing on, and do not assume any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement and make no representation

Bridgeport, WV • Charleston, WV • Martinsburg, WV • Morgantown, WV • Wheeling, WV
Denver, CO • Crawfordsville, IN • Evansville, IN • Lexington, KY • Akron, OH • Pittsburgh, PA • Washington, DC

that we have independently verified the accuracy, completeness or fairness of any such statements. We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are accurate. Capitalized terms used but not defined herein shall have the meanings set forth in the Purchase Agreement.

Based upon the foregoing, we are of the opinion that:

1. The Disclosure Dissemination Agent Agreement satisfies the requirements set forth in Section (b)(5) of Rule 15c2-12 promulgated under the Securities Act.

2. The Bonds are exempt from registration under the Securities Act, and the Bond Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

3. During the course of our work in connection with our representation of you, no information has come to our attention that causes us to believe that the Official Statement as of date of this letter (except for any financial and statistical data and forecasts, numbers, estimates, assumptions, information concerning the Depository Trust Company and book-entry only system for the Bonds, or expressions of opinion included in the Official Statement or in the Appendices thereto, all of which we expressly exclude from the scope of this sentence), contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

We express no view as to the laws of any jurisdiction other than the laws of the State of West Virginia and the federal laws of the United States of America as in effect as of the date hereof. The views expressed above are limited to the matters set forth above, and no opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this letter if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the views expressed herein after the date hereof.

This opinion is solely for the benefit of, and may be relied upon only by, the Underwriters; and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, except that a copy hereof may be included in the transcript of closing documents pertaining to the delivery of the Bonds. Without limiting the foregoing, this letter may not be relied upon by the holders of the Bonds or any other person or entity to whom it is not specifically addressed.

Very truly yours,

Jackson Kelly PLLC

JACKSON KELLY PLLC

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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Charleston, WV 25326-1588
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Writer's Contact Information

June 28, 2018

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2018 B (Tax Exempt)

The City of Morgantown
Morgantown, West Virginia

Merrill Lynch, Pierce, Fenner & Smith Incorporated
New York, New York

Crews & Associates, Inc.
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

We have acted as counsel for The City of Morgantown, West Virginia (the "Issuer") in connection with the sale of the above-referenced bonds (the "Bonds"), which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of June 21, 2018 (the "Bond Purchase Agreement") among Merrill Lynch, Pierce, Fenner & Smith Incorporated and Crews & Associates, Inc. (collectively, the "Underwriters") and the Issuer. Any capitalized term used herein and not defined herein shall have the meaning assigned to it in the Bond Purchase Agreement.

In this connection, we have reviewed and examined certain proceedings and documents with respect to the Bonds, any such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion and the laws of the State of West Virginia, including Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), the Bond Ordinance of the Issuer relating to the Bonds enacted January 3, 2017, as supplemented by a supplemental parameters resolution and conformed ordinance adopted by the Issuer on June 5, 2018 (collectively, the "Authorizing Ordinance"), the Bond Purchase Agreement and the Official Statement dated June 21, 2018 (the "Official Statement"), with respect to the issuance and offering of the Bonds, and certifications of the Issuer (collectively, the "Legal Documents").

Based on such review and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

(1) The Issuer has been duly organized and is validly existing under the Constitution and laws of the State of West Virginia, and has all requisite power and authority thereunder: (a) to enact the Authorizing Ordinance, and to enter into, execute, deliver and perform its covenants and agreements under the Legal Documents; (b) to approve and authorize the use, execution and distribution of the

Preliminary Official Statement and the Official Statement; (c) to issue, sell, execute and deliver the Bonds; (d) to pledge the Gross Revenues as contemplated by the Legal Documents; and (e) to carry on its activities as currently conducted.

(2) The Issuer has taken all actions required to be taken by it before the date hereof material to the transactions contemplated by the documents mentioned in paragraph (1)(a) above, and the Issuer has duly authorized the execution and delivery of, and the due performance of its obligations under, the Legal Documents.

(3) The Authorizing Ordinance was duly enacted by the City Council of the Issuer at meetings of the City Council of the Issuer which were called and held pursuant to law and with all required notices and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the enactment and/or adoption of the Authorizing Ordinance.

(4) The enactment and/or adoption of the Authorizing Ordinance, the execution and delivery by the Issuer of the Legal Documents and the compliance with the provisions of the Legal Documents do not and will not conflict with or violate in any material respect any West Virginia constitutional, statutory or regulatory provision or, to the best of our knowledge after due inquiry, conflict with or constitute on the part of the Issuer a material breach of or default under any agreement or instrument to which the Issuer is a party or by which it is bound.

(5) The Legal Documents constitute legal, valid and binding obligations of the Issuer and are enforceable according to the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally, and by the application of equitable principles if equitable remedies are sought, by the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(6) To the best of our knowledge after due inquiry, no litigation is pending or, after due inquiry, threatened against the Issuer in any court in any way affecting the titles of the officials of the Issuer to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Authorizing Ordinance or the Legal Documents, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Issuer or its authority with respect to the Authorizing Ordinance or the Legal Documents.

(7) The information contained in the Official Statement under the captions "THE ISSUER AND THE MORGANTOWN UTILITY BOARD", "LITIGATION" and "CONTINUING DISCLOSURE" does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(8) To the best of our knowledge after due inquiry, no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Issuer of the Legal Documents and the authorization and distribution of the Preliminary Official Statement and the Official Statement (provided that no opinion is expressed as to any action required under state securities or Blue Sky laws in connection with the purchase of the Bonds by the Underwriters).

(9) To the best of our knowledge after due inquiry, the Issuer is not in breach of or default under any applicable law or administrative regulation of the State of West Virginia or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially adversely affect the Issuer's ability to enter into or perform its obligations under the Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the Issuer's ability to enter into or perform its obligations under the Legal Documents.

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

Very truly yours,



STEPTOE & JOHNSON PLLC

ATTORNEY TIM STRANKO, PLLC
424 Park Street
MORGANTOWN, WV 26501
304.288.7538/wvcitylaw@labs.net

June 28, 2018

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2018 B (Tax Exempt)

The City of Morgantown
Morgantown, West Virginia

Merrill Lynch, Pierce, Fenner & Smith Incorporated
New York, New York

Crews & Associates, Inc.
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I have acted as counsel for Morgantown Utility Board (the "Utility Board") in connection with the sale of the above-referenced bonds (the "Bonds"), which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of June 21, 2018 (the "Bond Purchase Agreement") between Merrill Lynch, Pierce, Fenner & Smith Incorporated and Crews & Associates, Inc. (collectively, the "Underwriters") and The City of Morgantown (the "Issuer"). Any capitalized term used herein and not defined herein shall have the meaning assigned to it in the Bond Purchase Agreement.

In this connection, I have reviewed and examined certain proceedings and documents with respect to the Bonds, any such records, certificates and other documents as I have considered necessary or appropriate for the purposes of this opinion and the laws of the State of West Virginia, including Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), the Bond Ordinance of the Issuer relating to the Bonds enacted January 3, 2017, as supplemented by a supplemental parameters resolution and conformed ordinance adopted by the Issuer on June 5, 2018 (collectively, the "Authorizing Ordinance"), the Bond Purchase Agreement and the Official Statement dated June 21, 2018 (the "Official Statement"), with respect to the issuance and offering of the Bonds, and certifications of the Issuer (collectively, the "Legal Documents").

Based on such review and such other considerations of law and fact as I believe to be relevant, I am of the opinion that:

(1) To the best of my knowledge, no litigation is pending or threatened in any court in any way affecting the existence of the Utility Board or the titles of its officers to their respective

offices, or seeking to restrain or to enjoin the issuance or delivery of the Bonds, or the collection of revenues and assets of the Combined Utility System pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or the construction of the Project, or any transaction described in or contemplated by the Official Statement.

(2) The Official Statement, as amended or supplemented as of the date hereof (except as aforesaid) contains no untrue statement regarding the Utility Board and/or the Combined Utility System of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein regarding the Utility Board, in light of the circumstances under which they were made, not misleading.

(3) The statements contained in the Official Statement under the captions "PURPOSE AND PLAN OF FINANCING", "THE ISSUER AND THE MORGANTOWN UTILITY BOARD", "MUB PENSION OBLIGATIONS", "THE COMBINED UTILITY SYSTEM", "MUB CAPITAL IMPROVEMENT PROGRAM", "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES", "LITIGATION", "LEGAL MATTERS", and "CONTINUING DISCLOSURE" insofar as such statements contained under such captions relate to the Utility Board and/or the Combined Utility System, or purport to summarize certain matters set forth therein, are accurate and present a fair summary of the matters referred to therein.

(4) The Utility Board has met and shall meet any requirement as to legal matters as the Underwriters shall reasonably require.

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

Very truly yours,
ATTORNEY TIM STRANKO PLLC

Timothy P. Stranko

The City of Morgantown
Combined Utility Revenue Bonds, Series 2018 B (Tax Exempt)

GENERAL CERTIFICATE OF THE CITY OF MOGANTOWN ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. RATES
5. AWARD OF BONDS; SIGNATURES
6. DELIVERY AND PAYMENT
7. CERTIFICATION OF DOCUMENTS
8. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
9. MEETINGS, ETC.
10. INCUMBENCY AND OFFICIAL NAME
11. SPECIMEN BONDS
12. NO FEDERAL GUARANTY
13. IRS INFORMATION RETURN
14. OFFICIAL STATEMENT CERTIFICATION
15. CERTIFICATIONS REGARDING BOND PURCHASE
16. DESIGNATION OF REGISTRAR AND PAYING AGENT
17. COUNTERPARTS

We, the undersigned MAYOR, and CITY CLERK of The City of Morgantown, West Virginia (the "Issuer"), hereby certify this 28th day of June, 2018 in connection with the $44,260,000 aggregate principal amount of The City of Morgantown Combined Utility Revenue Bonds, Series 2018 B (Tax Exempt) (the "Series 2018 B Bonds") as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings as set forth in the Bond ordinance of the Issuer enacted January 3, 2017, as supplemented by a Supplemental Parameters Resolution and Conformed Ordinance of the Issuer adopted June 5, 2018 and Certificate of Determinations dated June 21, 2018 (collectively, the "Bond Legislation").

2. NO LITIGATION: Except as otherwise disclosed in the Official Statement, no controversy or litigation of any nature is now pending or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the issuance, sale and delivery of the Series 2018 B Bonds, the collection or use of the revenues of the System, or the respective pledge thereof to the payment of the principal and interest on the Series 2018 B Bonds, nor in any manner questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Series 2018 B Bonds, nor in any manner affecting the validity or enforceability of the Series 2018 B Bonds, the Bond Legislation or the Bond Purchase Agreement, dated June 21, 2018 (the "Bond Purchase Agreement"), by and between the Issuer and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Crews & Associates, Inc. (collectively, the "Underwriters") or any agreement or instrument relating thereto, used or contemplated by the Bond Purchase Agreement or any provisions made or authorized for the payment of the Series 2018 B Bonds; nor in any manner questioning the valid existence of the Issuer or the authority

or titles of the Mayor, City Clerk and the members of the Governing Body of the Issuer to their respective offices; nor in any manner questioning any proceeding, procedure, action or thing followed, taken or done in connection with the issuance, sale and delivery of the Series 2018 B Bonds which is not set forth in the Official Statement relating to the Series 2018 B Bonds.

3. GOVERNMENTAL APPROVALS: All applicable approvals and certificates required by law for operation of the System, including, without limitation, the imposition of rates and charges, the construction of the Project and the issuance of the Series 2018 B Bonds, have been obtained as of the date hereof and remain in full force and effect.

4. RATES: The Issuer has duly enacted a sewer rate ordinance on February 2, 2016, a water rate ordinance on February 2, 2016 and a stormwater rate ordinance on July 15, 2014, setting rates and charges of the System. Such rates are currently in full force and effect.

5. AWARD OF BONDS; SIGNATURES: The Series 2018 B Bonds were awarded to the Underwriters pursuant to the terms of the Bond Purchase Agreement at an aggregate purchase price of $48,159,050.92 (par amount of $44,260,000 plus a net original issue premium in the amount of $4,089,120.90, and less underwriters' discount of $190,069.98).

As of the date hereof, the Series 2018 B Bonds were duly signed by the manual signature of the Mayor, and the official seal of the Issuer, which seal is impressed upon this Certificate, was impressed or imprinted thereon and attested by the manual signature of the City Clerk.

6. DELIVERY AND PAYMENT: On the date hereof the undersigned Mayor did deliver to the Underwriter the entire issue of the Series 2018 B Bonds, numbered BR-1 to BR-22.

At the time of delivery of the Series 2018 B Bonds, there was paid to the Issuer (or others, on behalf of the Issuer) the agreed price therefor as follows:

Par Amount of Series 2018 B Bonds	$44,260,000.00
Plus: Net Original Issue Premium	4,089,120.90
Less: Underwriters' Discount	(190,069.98)
Total	$48,159,050.92

Series 2018 B Bonds proceeds in the amount of $48,159,050.92 was made in immediately available funds (federal funds wire) and was used as follows:

Acquisition and Construction	47,838,082.00
Acquisition and Construction (Rounding)	1,963.21
DSR Surety	53,505.71
Cost of Issuance	265,500.00
Total Uses	$48,159,050.92

7. CERTIFICATION OF DOCUMENTS: There are delivered herewith true and correct copies of the following documents, all which remain in full force and effect and have not been

amended, modified, supplemented or repealed unless changed by the terms of other documents listed below:

Bond Ordinance

Supplemental Parameters Resolution

Certificate of Determinations

Charter

Oaths of Office

Minutes on Adoption of Bond Legislation

Preliminary Official Statement

Official Statement

Bond Purchase Agreement

Consent of WDA

Prior Bond Ordinances

8. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: Except as otherwise disclosed in the Official Statement, there has been no adverse change in the financial condition of the Issuer or the System since June 8, 2018.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2018 B Bonds as to liens, pledge and source of and security for payment, being the Issuer's:

(1) Combined Utility System Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of $7,842,000 (the "Series 2000 A Bonds");

(2) Combined Utility System Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of $2,488,000 (the "Series 2000 B Bonds");

(3) Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of $6,410,191 (the "Series 2006 A Bonds");

(4) Combined Utility System Revenue Bonds, Series 2007 A (West Virginia SRF Program), of the Issuer, dated August 14, 2007, issued in the original aggregate principal amount of $8,500,000 (the "Series 2007 A Bonds");

(5) Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $37,950,000 (the "Series 2010 A Bonds");

(6) Combined Utility System Revenue Bonds, Series 2010 C (West Virginia SRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $15,380,227 (the "Series 2010 C Bonds");

(7) Combined Utility System Revenue Bonds, Series 2010 D (West Virginia DWTRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $9,317,286 (the "Series 2010 D Bonds");

(8) Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 E Bonds");

(9) Combined Utility System Revenue Bonds, Series 2010 F (Tax Exempt), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $7,250,000 (the "Series 2010 F Bonds");

(10) Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, dated August 24, 2012, issued in the original aggregate principal amount of $570,000 (the "Series 2012 A Bonds");

(11) Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated August 22, 2013, issued in the original aggregate principal amount of $4,605,260 (the "Series 2013 A Bonds");

(12) Combined Utility System Revenue Bonds, Series 2014 B, of the Issuer, dated July 13, 2014, issued in the original aggregate principal amount of $505,421 (the "Series 2014 B Bonds");

(13) Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of $137,568 (the "Series 2015 A Bonds");

(14) Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of $4,586 (the "Series 2015 B Bonds");

(15) Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of $8,111,813 (the "Series 2015 C Bonds");

(16) Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of $1,688,394 (the "Series 2015 D Bonds");

(17) Combined Utility System Revenue Bonds, Series 2015 E (West Virginia SRF Program), of the Issuer, dated June 11, 2015, issued in the original aggregate principal amount of $662,300 (the "Series 2015 E Bonds");

(18) Combined Utility System Revenue Bonds, Series 2016 A, of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $69,755,000 (the "Series 2016 A Bonds");

(19) Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), of the Issuer, dated December 15, 2016, issued in the original aggregate principal amount of $25,000,000 (the "Series 2016 B-1 Bonds");

(20) Combined Utility System Revenue Bonds, Series 2017 A (Bank Qualified), dated December 21, 2017, issued in the original aggregate principal amount of $2,695,000 (the "Series 2017 A Bonds"); and

(21) Combined Utility System Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), dated January 31, 2018, issued in the original aggregate principal amount of $394,074 (the "Series 2018 A Bonds") (collectively, the "Prior Bonds").

The Series 2018 B Bonds will be issued on a parity with the Prior Bonds, with respect to liens, pledge, source of and security for payment and in all other respects. The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 2000 A Bonds, Series 2000 B Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 B-1 Bonds and Series 2018 A Bonds to the issuance of the Series 2018 A Bonds on a parity with the Series 2000 A Bonds, Series 2000 B Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 B-1 Bonds and Series 2018 A Bonds. The Series 2010 A Bonds, Series 2010 F Bonds, Series 2014 B Bonds, Series 2016 A Bonds and Series 2017 A Bonds do not require consent. Other than the Prior Bonds, there are no other bonds, notes or other obligations of the Issuer which are secured by revenues or assets of the System.

9. MEETINGS, ETC.: All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Series 2018 B

Bonds were authorized or adopted at meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Issuer, and all applicable statutes, including Chapter 6, Article 9A of the Official West Virginia Code of 1931, as amended, and a quorum of duly elected, qualified and acting members of the Governing Body was present and acting at all times during all such meetings.

10. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of Morgantown". The Issuer is a municipal corporation in Monongalia County and is presently existing under the laws of, and is a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council, consisting of a Mayor and six (6) councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Bill Kawecki, Mayor	July 1, 2017	June 30, 2019
Ron Dulaney, Jr.	July 1, 2017	June 30, 2019
Mark Brazaitis	July 1, 2017	June 30, 2019
Barry Lee Wendell	July 1, 2017	June 30, 2019
Jenny Selin	July 1, 2017	June 30, 2019
Rachel Fetty	July 1, 2017	June 30, 2019
Ryan Wallace	July 1, 2017	June 30, 2019

The duly appointed City Clerk is Linda Tucker. The duly appointed Special Counsel to the City is Steptoe & Johnson PLLC, Charleston, West Virginia and the duly appointed Counsel to the Morgantown Utility Board is Timothy Stranko, Morgantown, West Virginia.

11. SPECIMEN BONDS. Delivered concurrently herewith are true and accurate specimens of the Series 2018 B Bonds.

12. NO FEDERAL GUARANTY: The Series 2018 B Bonds are not, in whole or part, and will not be, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

13. IRS INFORMATION RETURN: On the date hereof, the undersigned Mayor did officially sign a properly completed IRS Form 8038-G and will cause such executed Form 8038-G to be filed in a timely manner with the Internal Revenue Service Center, Ogden, Utah, with respect to the Series 2018 B Bonds.

14. OFFICIAL STATEMENT CERTIFICATION: At and since the date of the Official Statement nothing has come to the attention of any signer hereof which would lead any such signer to believe that the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

15. CERTIFICATIONS REGARDING BOND PURCHASE AGREEMENT: In addition to the foregoing, the undersigned Mayor and City Clerk hereby certify in connection with Section 7(a)(vii)(7) of the Bond Purchase Agreement as follows: (a) the representations and agreements of the Issuer contained in the Bond Purchase Agreement are true and correct in all material respects as of the date hereof; (b) the Legal Documents have been duly authorized and executed and are in full force and effect; (c) except as described in the Official Statement, no litigation is pending or, to our knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Series 2018 B Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Series 2018 B Bonds or the validity of the Series 2018 B Bonds, the Bond Legislation or any Legal Document, (iii) in any way contesting the creation, existence or powers of the Issuer or the validity or effect of the Act or any provision thereof or the application of the proceeds of the Series 2018 B Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Official Statement or any or all of the Legal Documents; and (d) the Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

16. DESIGNATION OF REGISTRAR AND PAYING AGENT: The Issuer hereby confirms the appointment of (a) United Bank, Charleston, West Virginia, as Registrar and (b) West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent.

17. COUNTERPARTS: This Certificate may be executed in counterparts, and all counterparts shall be deemed to be the Certificate.

[Remainder of Page Intentionally Blank]

WITNESS our signatures and the official corporate seal of THE CITY OF MORGANTOWN on the day and year first written above.

[SEAL]

Signature	Official Title
_____	Mayor
_____	City Clerk

THE CITY OF MORGANTOWN (WEST VIRGINIA)

$44,260,000 Combined Utility System Revenue Bonds, Series 2018 B

TAX AND NON-ARBITRAGE CERTIFICATE

The undersigned, Mayor of The City of Morgantown (the "Issuer"), on this 28th day of June, 2018, being the official of the Issuer duly charged with the responsibility for the issuance of the $44,260,000 Combined Utility System Revenue Bonds, Series 2018 B (the "Series 2018 B Bonds"), dated June 28, 2018, hereby certifies as follows, (all capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance enacted by the Issuer on January 3, 2017, as supplemented by Supplemental Resolution adopted by the Issuer on June 5, 2018, and the Certificate of Determinations executed by me as the Mayor of the Issuer on June 21, 2018 (collectively, the "Bond Legislation"), pursuant to which the Series 2018 B Bonds are issued):

A. DEFINITIONS

The following words and phrases shall have the following meanings or such other meanings as may be required under the Code or the Regulations. Any capitalized word or term used herein but not defined herein shall have the meaning set forth in the Bond Legislation.

"**Bona Fide Debt Service Fund**" shall mean a fund which may include proceeds of an issue, that:

(a) Is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year; and

(b) Is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of:

(i) the earnings on the fund for the immediately preceding Bond Year; or

(ii) one-twelfth (1/12th) of the principal and interest payments on the Bonds for the immediately preceding Bond Year.

"**Bond Act**" means Article 20 of Chapter 8 of the Code of West Virginia of 1931, as amended.

"**Bond Counsel**" means the law firm or firms delivering its or their approving opinion or opinions with the respect to the issuance of the Bonds and the exclusion of interest on the Bonds from gross income for the purposes of federal income taxation.

"**Bond Year**" means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, or such other period as shall be determined by the Issuer, except that the first Bond Year shall begin on the Closing Date.

"**Bond Yield**" means the yield of the Bonds, calculated in accordance with the provisions of Section 1.148-4 of the Regulations.

"**Code**" means the Internal Revenue Code of 1986, as amended, and all rulings and regulations promulgated thereunder.

"**Computation Date**" means each Installment Computation Date and the Final Computation Date.

"**Computation Date Credit**" means $1,000.00. Only one Computation Date Credit for each Computation Date is permitted for the Bonds.

"**Costs of Issuance**" means all costs incurred in connection with the issuance of the Bonds within the meaning of Section 147(g) of the Code. Examples of costs of issuance include (but are not limited to):

(a) underwriters' spread (whether realized directly or derived through purchase of the Bonds at a discount below the price at which a substantial number of Bonds are sold to the public);

(b) counsel fees (including Bond Counsel, Underwriters' Counsel, Issuer's Counsel, and any other specialized counsel fees incurred in connection with the issuance of the Bonds);

(c) financial advisor fees incurred in connection with the issuance of the Bonds;

(d) trustee fees and registrar fees;

(e) paying agent, disbursement agent, and certifying and authenticating agent fees related to issuance of the Bonds;

(f) accountant fees related to issuance of the Bonds;

(g) printing costs (for the Bonds and of preliminary and final offering materials); and

(h) costs incurred in connection with any required public approval process (e.g., publication costs for public notices generally and costs of the public hearing or voter referendum).

"**Date of Issue**" means June 28, 2018.

"**Discharged**" means, with respect to any Bond, the date on which all amounts due with respect to such Bond are actually and unconditionally due if cash is available at the place of payment and no interest accrues with respect to the Bond after such date.

"**Fair Market Value**" of an Investment means as follows:

(a) In General. Except as specifically otherwise provided below, the Fair Market Value of an Investment is the price at which a willing buyer would purchase the Investment from a willing seller in a bona fide arm's length transaction. The Fair Market Value of an Investment that is purchased directly from the United States Treasury is its purchase price.

(b) Safe Harbor for Establishing Fair Market Value for Guaranteed Investment Contracts and Investments Purchased for a Yield Restricted Defeasance Escrow. The purchase price of a guaranteed investment contract is treated as its Fair Market Value on the purchase date if -

(i) The institution makes a bona fide solicitation for a specified guaranteed investment contract and reserves at least three (3) bona fide bids from providers that have no material financial interest in the issue (e.g. as underwriters or brokers);

(ii) The institution purchases the highest yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees);

(iii) The yield on the guaranteed investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable guaranteed investment contracts, if any, offered to persons from a source of funds other than gross proceeds of tax exempt bonds;

(iv) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the Issuer's reasonably expected draw down schedule for the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds;

(v) The terms of the guaranteed investment contract, including collateral security requirements, are reasonable; and

(vi) The obligor on the governmental investment contract certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the guaranteed investment contract.

(c) Safe Harbor for Establishing Fair Market Value for Certificates of Deposit. The Fair Market Value of a certificate of deposit is its purchase price if it has a fixed rate of interest, a fixed payment schedule, and a substantial penalty for early withdrawal and the yield on the certificate of deposit is not less than (i) the yield on reasonably comparable direct obligations of the United States; and (ii) the highest yield that is published or posted by the provider to be currently available on reasonably comparable certificates of deposit offered to the public.

"**Final Computation Date**" means the date on which the last Bond is Discharged.

"**Future Value**" means the amount determined by using the following formula:

$FV = PV(1+i)^n$

where:

FV = The future value of the nonpurpose receipt or payment at the end of the interval. Each interval ends on the last day of a compounding interval. The compounding interval is the same compounding interval used in computing the Bond Yield.

PV = The future value of the nonpurpose receipt or payment at the beginning of the interval, or the amount thereof if the computation is for the first interval. The first interval begins on the date the nonpurpose receipt or payment is actually or constructively received or paid (or otherwise is taken into account). The amount of every nonpurpose receipt and payment with respect to an issue that is taken into account at the beginning of the first interval may be rounded to the nearest whole dollar. The preceding sentence shall not apply to receipts and payments with respect to investments in a restricted escrow within the meaning of Section 1.148-8(g) of the Regulations.

i = The Bond Yield during the interval (expressed as a decimal) divided by the number of compounding intervals in a year.

^{n} = A fraction, the numerator of which is the length of the interval and the denominator of which is the length of a whole compounding interval.

"**Gross Proceeds**" means Proceeds and Replacement Proceeds of the Bonds within the meaning of the Regulations.

"**Installment Computation Date**" means the last day of the fifth Bond Year and each succeeding fifth Bond Year.

"**Investment**" means any security, obligation, annuity contract, or investment type property as defined in section 148(b) of the Code.

"**Investment Proceeds**" means any amounts actually or constructively received from investing Proceeds of an issue of bonds.

"**IRS**" means the Internal Revenue Service.

"**Issue Price**" means $48,349,120.90 being the Issue Price of the Series 2018 B Bonds.

"**Net Sale Proceeds**" means Sale Proceeds less the amount of those Sale Proceeds invested in a reasonably required reserve or replacement fund under Section 148(d) of the Code and as part of a minor portion under Section 148(e) of the Code.

"**Nonpurpose Investment**" means any Investment that is not acquired to carry out the governmental purpose of an issue.

"**Payment**" means a payment as defined in Section 1.148-3(d) of the Regulations for purposes of computing the Rebate Amount, and a payment as defined in Section 1.148-5(b) of the Regulations for purposes of computing the Yield on an Investment.

"**Present Value**" means the amount determined by using the following formula:

$$PV = \frac{FV(1+i)^n}{(1+i)^n}$$

where i equals the discount rate divided by the number of compounding intervals in a year and n equals the sum of (i) the number of whole compounding intervals for the period ending on the date as of which the Future Value is determined and (ii) a fraction the numerator of which is the length of any short compounding interval during such period and the denominator of which is the length of a whole compounding interval.

"**Present Value of an Investment**" shall mean the value of an investment computed under the economic accrual method; using the same compounding interval and financial conventions used to compute the yield on the Bonds. On any valuation date, the Present Value of an Investment is equal to the Present Value of all unconditionally payable receipts to be received from the payments to be paid for the investment after that date, using the Yield on the Investment as the discount rate.

"**Proceeds**" means any Sale Proceeds and Investment Proceeds of an issue of bonds. Proceeds do not include amounts that are actually or constructively received that with respect to an Investment that is acquired for the governmental purpose of an issue that are properly allocable to the immaterially higher yield under Section 1.148-2(d) of the Regulations or Section 143(g) of the Code or to qualified administrative cost recoverable under Section 1.148-5(e).

"**Rebate Amount**" means, in respect of the Series 2018 B Bonds, the amount determined pursuant to the Code and Regulations in accordance with section E(1) hereof. Generally, under the Regulations, the rebate amount, as of any date, equals the excess of the Future Value of all Receipts with respect to Nonpurpose Investments allocated to the Gross Proceeds of the Series 2018 B Bonds over the Future Value of all the Payments with respect to such Nonpurpose Investments computed in accordance with the Regulations.

"**Rebate Analyst**" means the entity or person chosen by the Issuer in accordance with section E(3) hereof to determine the Rebate Amounts.

"**Rebate Payment Date**" means the date following a Computation Date on which the Rebate Amount is mailed or otherwise filed with the IRS. The Rebate Payment Date cannot be a date which is more than 60 days after a Computation Date.

"**Receipt**" means a receipt as defined in Section 1.148-3(d) of the Regulations for purposes of computing the Rebate Amount, and a receipt as defined in Section 1.148-5(b) of the Regulations for purposes of computing Yield on an Investment.

"**Regulation**" or "**Regulations**" means the temporary, proposed or final Income Tax Regulations promulgated by the Department of the Treasury that are applicable to the Series 2018 B Bonds.

"**Replacement Proceeds**" means amounts that are treated as replacement proceeds of an issue of bonds under Section 1.148-1(c) of the Regulations. Generally, amounts are Replacement Proceeds of an issue if the amounts have a sufficiently direct nexus to the governmental purpose of the issue to conclude that the amounts would have been used for that governmental purpose if the proceeds of the issue were not used or to be used for that governmental purpose. Replacement Proceeds include, but are not limited to, sinking funds or pledged funds to the extent that those funds are held by or derived from a substantial beneficiary of the issue (which, for this purpose includes the issuer and any related party to the issuer).

"**Sale Proceeds**" means amounts actually or constructively received from the sale of an issue of bonds (including amounts used to pay underwriter's discount and compensation and accrued interest other than pre-issuance accrued interest). Sale Proceeds also include, but are not limited to, amounts derived from the sale of a right that is associated with a Series 2018 B Bond and that is described in Section 1.148-4(b)(4) of the Regulations.

"**Tax-Exempt Bond**" means any tax-exempt bond within the meaning of Section 103 of the Code and Section 1.150-1 of the Regulations that is not investment property within the meaning of Section 148(b)(3) of the Code.

"**Underwriter**" means, collectively, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Crews & Associates, Inc.

"**Universal Cap**" means the maximum value of Nonpurpose Investments which may be allocated to the Series 2018 B Bonds under Section 1.148-6 of the Regulations and is determined by reference to the Value of all outstanding Series 2018 B Bonds of the issue. For purposes of this determination Nonpurpose Investments include cash, Tax-Exempt Bonds (i.e., any tax-exempt bond that is not investment property under Section 148(b)(3) of the Code), qualified mortgage loans, and qualified student loans.

"**Valuation Date**" means the date on which the value of the Universal Cap and the Nonpurpose Investments allocable to the Series 2018 B Bonds thereunder must be determined under Section 1.148-6 of the Regulations. In general, beginning with the first Bond Year beginning after second year anniversary of the Issue Date, the first day of each Bond Year constitutes a Valuation Date.

"**Value of a Bond**" means the value of a bond determined under Section 1.148-4(e) of the Regulations. Under those Regulations, value generally means:

> (a) In the case of a plain par bond (within the meaning of Section 1.148-1(b) of the Regulations), its outstanding stated principal amount, plus accrued unpaid interest or in the case of a plain par bond actually redeemed, or that is treated as redeemed, its stated redemption price on the redemption date plus accrued unpaid interest; and
>
> (b) In the case of a bond other than a plain par bond, the value on a date of such a bond is generally its Present Value on that date, using the yield on the issue of which the bonds are a part as the discount factor. In determining the Present Value of a variable rate bond, the initial interest rate on the bond established by the index or other rate setting mechanism is used to determine the interest payments on that bond.

"**Value of an Investment**" means the value of an investment determined under Section 1.148-5(d) of the Regulations. Under those Regulations, value as of any date generally means, for any fixed rate investment (within the meaning of Section 1.148-1(b) of the Regulations) or Yield Restricted Investment, Present Value on that date, and for any plain par investment (within the meaning of Section 1.148-1(b) of the Regulations), the outstanding stated principal amount, plus accrued unpaid interest, as of that date.

"**Yield**" or "**yield**" means the yield computed under Section 1.148-4 of the Regulations for the Bonds, and the yield computed under Section 1.148-5 of the Regulations for an Investment.

"**Yield Restricted Investments**" means any Investments which either (1) bear a yield that is no greater than the Bond Yield, or (2) are investments in one or more Tax-Exempt Bonds.

B. GENERAL

1. This certificate is being executed and delivered pursuant to Section 148 of the Code. I am an officer of the Issuer charged with the responsibility of issuing the Series 2018 B Bonds. I am familiar with the facts, circumstances, and estimates herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Issuer.

2. This certificate may be relied upon as the certificate of the Issuer.

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer the certification of which may not be relied upon by holders of their respective obligations or that there is any disqualification thereof by the Internal Revenue Service because a certification made by it contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on June 28, 2018, the date on which the Series 2018 B Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Issuer has covenanted in the Bond Legislation that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2018 B Bonds which would cause the Series 2018 B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, 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 2018 B Bonds) so that the interest on the Series 2018 B 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.

6. The Series 2018 B Bonds were sold on June 21, 2018, to the Underwriter for a purchase price of $48,159,050.92 (par amount of $44,260,000.00 plus a net original issue premium of $4,089,120.90 and less underwriter's discount of $190,069.98).

7. The Series 2018 B Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the following purposes: (i) to finance a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing water system portion and storm water system portion of the combined utility system of the Issuer; (ii) to fund the Series 2018 B Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the "Series 2018 B Reserve Policy") from Build America Municipal Assurance Company (the "Reserve Policy Provider"); and (iii) to pay certain costs of issuance and related costs.

8. The sources of proceeds of the Series 2018 B Bonds is as follows:

SOURCES	
Series 2018 B Bonds	$44,260,000.00
Net Original Issue Premium	4,089,120.90
Total	$48,349,120.90

9. The proceeds of sale of the Bonds will be applied as follows:

USES	
Deposit to Project Fund	$47,838,082.00
Underwriter's Discount	190,069.98
Reserve Fund Insurance Premium	53,505.71
Cost of Issuance	267,463.21
Total	$48,349,120.90

10. The Underwriter has stated, in the Issue Price Certificate, a copy of which is attached as EXHIBIT A – ISSUE PRICE CERTIFICATE hereto (the "Issue Price Certificate"), that each maturity of the Series 2018 B Bonds reoffered as General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A to the Issue Price Certificate and that each maturity of the Series 2018 B Bonds offered as the Hold-the-Offering-Price Maturities to the public for purchase at the respective initial offering prices listed in Schedule A to the Issue Price Certificate on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to the Issue Price Certificate as Schedule B.

11. The yield on the Series 2018 B Bonds, as so computed, has been determined to be 3.5296% (the "Bond Yield"), based on a "purchase price" equal to the Issue Price for the Series 2018 B Bonds. The yield on the Series 2018 B Bonds is the discount rate that, when used in computing the present value as of the Issue Date of all unconditionally payable payments of principal, interest and fees for qualified guarantees on the Series 2018 B Bonds produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the Series 2018 B Bonds as of the sale date, which was June 21, 2018. In order for the guarantee of the Series 2018 B Bonds to be a "qualified guarantee," the following requirements are met:

(a) The Issuer reasonably expects as of the date hereof that the present value of the guarantee fees is less than the present value of the interest savings on the Series 2018 B Bonds. For this purpose, as calculated by the Municipal Advisor, present value was determined with regard to the premium on the 2018 B Reserve Fund Policy at the discount rate.

(b) The 2018 B Reserve Fund Policy imposes a secondary liability that unconditionally shifts substantially all of the credit risk for part of the payments of debt service on the Series 2018 B Bonds to the Reserve Policy Provider. The Reserve Policy Provider is not a co-obligor with the Issuer on the Series 2018 B Bonds. That is, the Reserve Policy Provider does not expect to make

any payments other than under an arrangement under which the guarantor will be immediately reimbursed. The Reserve Policy Provider and any related parties will not use more than 10% of the proceeds of the Series 2018 B Bonds.

(c) The fees for the 2018 B Reserve Fund Policy in the amount of $53,505.71 does not exceed a reasonable, arm's length charge for the transfer of credit risk, as certified by the Municipal Advisor.

(d) The premium paid to the Reserve Policy Provider do not include any payment for any direct or indirect services other than the transfer of credit risk.

C. THE SERIES 2018 B BONDS

1. The principal amounts, interest rates, interest and principal payment dates, and debt service with respect to the Series 2018 B Bonds are set forth on Exhibit B attached hereto.

2. A Sinking Fund for the Series 2018 B Bonds is created under the Bond Legislation. Monies deposited in the Series 2018 B Sinking Fund, including subsequent deposits thereto, will be spent within a 13-month period beginning on the date of deposit and will be depleted at least once a year, except for a reasonable carryover amount not in excess of 1/12 of the annual debt service with respect to the Series 2018 B Bonds. The Series 2018 B Bonds all bear interest at a fixed interest rate and the average maturity of the Series 2018 B Bonds is in excess of 5 years. The Series 2018 B Sinking Fund is designed to achieve a proper matching of the Issuer's revenues and debt service on the Series 2018 B Bonds within each Bond Year. All monies held in the Series 2018 B Sinking Fund will be used to pay debt service on the Series 2018 B Bonds. The Series 2018 B Sinking Fund qualifies as a Bona Fide Debt Service Fund and all monies in the Series 2018 B Sinking Fund will be invested without restriction as to yield and are not subject to rebate.

3. A Reserve Account is created under the Bond Legislation for the Series 2018 B Bonds in an aggregate amount equal to the lesser of (i) 10% of the original principal amount of the Series 2018 B Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2018 B Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2018 B Bonds (the "Reserve Account Requirement"). The Series 2018 B Reserve Account Requirement has been financed with the Series 2018 B Reserve Account Policy the premium for which in the amount of $53,505.71 was paid with proceeds of the Series 2018 B Bonds.

4. A Renewal and Replacement Fund is created, or continued, under the Bond Legislation, to be funded through monthly deposits of Revenues in an amount equal to 2 1/2% of the Gross Revenues of the System. Absent an Event of Default on the Series 2018 B Bonds, and depletion in full of the Reserve Account, the Renewal and Replacement Fund is not expected to be used for the purpose of paying Debt Service on the Series 2018 B Bonds. Such monies will be invested without restriction as to yield and are not subject to rebate.

5. A Redemption Account for the Series 2018 B Bonds is created under the Bond Legislation. In the event monies are deposited into the Redemption Account, to the extent they are not

part of a Bona Fide Debt Service Fund, they will, to the extent the yield thereon exceeds the yield on the Series 2018 B Bonds, be subject to rebate. Otherwise, they will be invested without restriction as to yield and are not subject to rebate.

6. A Costs of Issuance Fund is created under the Bond Legislation to be funded from proceeds of the Series 2018 B Bonds in the amount of $265,500.00, to pay costs of issuance of the Series 2018 B Bonds. All such amounts shall be fully expended within 6 months from the date hereof. Pending such disbursement, such monies will be invested without restriction as to yield and are not subject to rebate.

7. A Construction Fund is created under the Bond Legislation to be funded only from remaining proceeds of the Series 2018 B Bonds to pay costs of the Project. The Issuer expects that at least 85% of the net sale proceeds of the Series 2018 B Bonds will be allocated to expenditures on the Project within three (3) years from the date hereof. The Issuer has made, or has entered into or will enter into within six (6) months of the date hereof, binding contracts or commitments obligating the expenditure of, not less than the lesser of $100,000 or 5% of the net sale proceeds of the Series 2018 B Bonds on capital expenditures associated with the Project. The Issuer expects that work with respect to the completion of the Project and the allocation of the net sale proceeds of the Series 2018 B Bonds will proceed with due diligence. Pending such disbursement, monies in the Construction Fund may be invested without restriction as to yield. The Project will be operated solely for a public purpose as a local governmental activity of the Issuer. The Issuer expects no part of the Project financed by proceeds of the Series 2018 B Bonds will be sold or otherwise disposed of prior to the last maturity date of the Series 2018 B Bonds. None of the proceeds of the Series 2018 B Bonds will be used to reimburse the Issuer for costs of the Project previously incurred and paid by the Issuer with its own funds.

Except for the proceeds of the Series 2018 B Bonds designated for the Project, no other funds of the Issuer will be available to meet costs of the Project, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Series 2018 B Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Series 2018 B Bonds does not exceed 120% of the average expected economic life of the Project, and (iii) there are no amounts that have a sufficiently direct nexus to the Series 2018 B Bonds or to the governmental purpose of the Series 2018 B Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Series 2018 B Bonds were not used or to be used for that governmental purpose.

8. Other than the funds and accounts described above, there are no other funds or accounts of the Issuer which (i) are reasonably expected to be used to pay Debt Service on the Series 2018 B Bonds or which are pledged as collateral to secure repayment of Debt Service on the Series 2018 B Bonds and (ii) for which there is a reasonable assurance that amounts therein will be available to pay Debt Service on the Series 2018 B Bonds.

9. Accrued interest, if any, with respect to the Series 2018 B Bonds in an amount less than 6 month's interest on the Series 2018 B Bonds may be applied within one year from the date hereof toward the payment of interest first due on the Series 2018 B Bonds, as detailed in the Schedules. Pending such disbursement, such monies, if any, will be invested without restriction as to yield.

D. REBATE OF EXCESS ARBITRAGE

1. Rebate Fund; Calculation of Rebate Amount.

(a) Section 148(f) of the Code requires the payment to the United States of the excess of the amount earned on the investment of Gross Proceeds in Nonpurpose Investments over the amount that would have been earned on such investments had the amount so invested been invested at a rate equal to the Bond Yield, together with any income attributable to such excess. Except as provided below, and as previously set forth as excepted in Sections C hereof, all other funds or accounts treated as containing Gross Proceeds are subject to this requirement.

(b) Pursuant to the Bond Legislation, the Issuer has created the Rebate Fund to be held by the Depository Bank. On or before 45 days following each Computation Date, an amount shall be deposited into the Rebate Fund by the Issuer so that the balance held in the Rebate Fund shall equal the aggregate Rebate Amount due as of the Rebate Payment Date following such Computation Date. Monies so deposited shall be derived from the Issuer's own funds.

(c) To meet the rebate requirements of Section 148(f) of the Code, the Issuer (or the Rebate Analyst described in section E(3) hereof) agrees and covenants to take the following actions:

(i) For each investment of (i) amounts held in the Reserve Accounts, and (ii) any other monies held by the Issuer which constitute Gross Proceeds, the Issuer shall record the purchase date of such investment, its purchase price, accrued interest due on its purchase date, its face amount, its coupon rate, the frequency of its interest payment, its disposition price, accrued interest due on its disposition date and its disposition date.

(ii) For each Installment Computation Date with respect to Rebate Amounts specified in paragraph (iii) below, the Issuer shall compute the Yield on the Series 2018 B Bonds as required by the Code and Regulations. If any of the Series 2018 B Bonds are redeemed prior to their scheduled maturity, the Issuer agrees to seek the advice of Bond Counsel or other rebate expert to recompute the Yield on the Series 2018 B Bonds as required by the Regulations.

(iii) For each Computation Date, the Issuer shall determine the amount of earnings received on all Nonpurpose Investments described in paragraph (i) above this section E(1)(c) that are allocable to Gross Proceeds of the Series 2018 B Bonds. In addition, where Nonpurpose Investments are retained by the Bond Commission after retirement of the Series 2018 B Bonds, any unrealized gains or losses as of the date of retirement of the Series 2018 B Bonds must be taken into

account in calculating the earnings on such Nonpurpose Investments to the extent required by the Regulations.

(iv) In determining the Nonpurpose Investments that are allocable to Gross Proceeds of the Series 2018 B Bonds, the Issuer shall consider the allocation rules set forth in the Regulations, including the rules relating to the Universal Cap. In general, the Universal Cap represents the maximum value of Nonpurpose Investments that may be allocated to an issue of bonds and is determined by reference to the Value of all the outstanding bonds of the issue.

(v) For each Computation Date, the Issuer shall calculate for each Nonpurpose Investment described in paragraph (iii) above, an amount equal to the earnings which would have been received on such Nonpurpose Investment at an interest rate equal to the Yield on the Series 2018 B Bonds as described in paragraph (ii) above. The method of calculation shall follow that set forth in the Regulations.

(vi) In determining the amount of any rebate computed pursuant to this section, all earnings on any Bona Fide Debt Service Fund to the extent such earnings do not exceed $100,000 in any Bond year shall not be taken into account.

(vii) For each Computation Date, the Issuer shall calculate the Rebate Amount (computed from the Issue Date of the Series 2018 B Bonds to each such Computation Date) by any appropriate method provided in the Code and Regulations that is applicable to the Series 2018 B Bonds, taking into account any computation credit allowed thereunder. In determining the Rebate Amount, the Issuer shall account for the amounts determined under paragraphs (iii), (iv), and (v) above.

(viii) If the Rebate Amount exceeds the amount on deposit in the Rebate Account, the Issuer shall immediately pay that amount, or cause that amount to be paid, into the Rebate Account.

2. Payment to United States.

(a) Installment Computation Dates. Unless the Series 2018 B Bonds are redeemed prior to such time, the Issuer shall pay to the United States, not later than sixty (60) days after each Installment Computation Date, an amount which, when added to all previous rebate payments made with respect to the Series 2018 B Bonds, is equal to not less than ninety percent (90%) of the Rebate Amount (computed from the date of issuance of the Series 2018 B Bonds to each such Installment Computation Date).

(b) Final Computation Date. The Issuer shall pay to the United States, not later than sixty (60) days after the last outstanding Series 2018 B Bonds are paid or redeemed, one hundred percent

(100%) of the Rebate Amount for the Final Computation Date (computed from the date of issuance of the Series 2018 B Bonds to the Final Computation Date).

(c) Mailing of Rebate Payment. Each Payment of an installment shall be mailed to the Internal Revenue Service Center, Internal Revenue Service Center, Ogden, Utah 84201-0027. Each payment shall be accompanied by (i) a copy of IRS Form 8038-T, and (ii) the CUSIP number for the Series 2018 B Bond with the latest maturity.

(d) Excess Balance in Rebate Fund; Excess Rebate Payments. If on the Rebate Payment Date the balance on deposit in the Rebate Fund is in excess of the Rebate Amount attributable to the Series 2018 B Bonds, such excess may be withdrawn by the Issuer from the Rebate Fund. The Issuer may direct that any overpayment of rebate may be recovered from any rebate payment previously made to the United States under any procedure that may be permitted by the Code or the Regulations.

(e) Recordkeeping. In connection with the rebate requirement, the Issuer shall maintain (or cause to be maintained) the following records:

(i) The Issuer shall record all amounts paid to the United States pursuant to section E(2) hereof.

(ii) The Issuer shall retain records of the rebate calculations until six years after the Final Computation Date.

(iii) The Issuer shall keep and record the data described in section E(1)(c) hereof pertaining to the investment of the proceeds of the Series 2018 B Bonds until six years after the Final Computation Date.

3. Rebate Analyst.

(a) A Rebate Analyst shall be appointed to perform the rebate calculations, as required herein.

(b) The Issuer may rely conclusively upon the opinions, calculations, determinations, directions and advice of the Rebate Analyst. The charges and fees for such Rebate Analyst shall be paid by the Issuer upon presentation of an invoice for services rendered in connection therewith.

4. Failure to Pay Rebate Amounts. In the event the Issuer fails to pay at the proper time and in the proper amounts, any Rebate Amount, it will pay the rebate amount plus interest within 180 days after discovery of such failure as set forth in Section 1.148-3(h)(3) of the Regulations. Notwithstanding the foregoing, in the event the Issuer fails to pay at the proper time and in the proper amount any Rebate Payment or correction amount, it hereby covenants and agrees to pay any penalty required by Internal Revenue Service in lieu of a declaration of taxability on the Series 2018 B Bonds.

E. MISCELLANEOUS

1. The Series 2018 B Bonds is considered a single issue pursuant to Section 1.150-1(c) of the Regulation.

2. The amount designated as "Cost of Issuance" of the Series 2018 B Bonds consists only of costs which are directly related to and necessary for the issuance of the Series 2018 B Bonds.

3. The Issuer shall, on the date hereof or immediately hereafter, enter into a contract for the construction of the Project, and the amount to be expended pursuant to such contract exceeds 5% of the net sale proceeds of the Bonds.

4. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. Acquisition and construction of the Project is expected to be completed within 24 months.

5. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Ogden, Utah. The Form 8038-G attached hereto as EXHIBIT C - FORM 8038-G is, to the best of my knowledge, true and correct, and may be relied upon by Bond Counsel. The Issuer agrees to monitor compliance with the requirements for maintaining tax exemption of the interest on the Series 2018 B Bonds and monitor the requirements of Section 148 of the Code in accordance with EXHIBIT D – TAX COMPLIANCE POLICIES attached hereto.

6. None of the proceeds of the Series 2018 B Bonds will be used (directly or indirectly) in any trade or business carried on by, or will be used to make or finance loans to, any person who is not a governmental unit.

7. The original proceeds of the Series 2018 B Bonds will not exceed the amount necessary for the purpose of the issue, except to the extent any such proceeds are required for rebate to the United States.

8. The Issuer shall use the proceeds of the Series 2018 B Bonds solely to pay the costs of acquisition and construction of the Project; fund the Series 2018 B Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy; and to pay costs of issuance and related costs.

9. The Issuer shall not permit at any time or times any of the proceeds of the Series 2018 B Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Series 2018 B Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Series 2018 B Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and the Treasury Regulations promulgated or to be promulgated thereunder.

10. The Series 2018 B Bonds are not, and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

11. The Issuer has not entered and will not enter into any transaction to reduce the Yield on an investment of the Gross Proceeds of the Series 2018 B Bonds so as to cause the amount to be rebated to the United States Treasury to be less than it would have been had the transaction been at arm's length and the Yield on the Series 2018 B Bonds not been relevant to either party to the transaction, and that all investments of Gross Proceeds will be made on an arm's length, Fair Market Value basis.

12. On each Valuation Date, the Issuer agrees to value the Universal Cap and the Nonpurpose Investments allocable to the Series 2018 B Bonds thereunder in accordance with the Regulations. Notwithstanding anything herein to the contrary, the failure to perform the determination of Nonpurpose Investments allocable to the Series 2018 B Bonds as of a Valuation Date shall not be considered a violation of this provision if the application of the Universal Cap would not result in a reduction or reallocation of Gross Proceeds of an issue.

13. No portion of the proceeds of the Series 2018 B Bonds will be used directly or indirectly to replace funds of the Issuer or other related governmental agency that have been used directly or indirectly to acquire securities or obligations which may reasonably be expected, on the date hereof, to produce a yield materially higher than the Yield on the Series 2018 B Bonds.

14. In connection with the Series 2018 B Bonds, there has not been created or established, and the Issuer does not expect that there will be created or established, any sinking fund, pledged fund or similar fund (other than as specifically identified in this Tax and Arbitrage Certificate), including without limitation any arrangement under which money, securities, or obligations are pledged directly or indirectly to secure the Series 2018 B Bonds or any contract securing the Series 2018 B Bonds or any arrangement providing for compensating or minimum balances to be maintained by the Issuer or related governmental agencies with any registered owner of the Series 2018 B Bonds.

15. The Series 2018 B Bonds are not and will not be part of a transaction or series of transactions that (i) attempt to circumvent the provisions of Section 148 of the Code, or any successor thereto, and the Regulations promulgated thereunder which enable the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage or (ii) increase the burden on the market for tax-exempt obligations in any manner, including, without limitation, by selling obligations that would not otherwise be sold or selling a larger amount of obligations, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

16. No other obligations are being issued by the Issuer or any related entity at substantially the same time and sold pursuant to a common plan of financing and which will be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the Series 2018 B Bonds or which will be paid directly or indirectly from proceeds of the sale of the Series 2018 B Bonds.

17. The issuance of the Series 2018 B Bonds will not involve the use of a "device" or an "abusive transaction" within the meaning of Section 149(d)(4) of the Code and the Regulations thereunder.

18. The Issuer covenants to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2018 B Bonds in order that the interest thereon be and continue to be excludable from gross income for federal income tax purposes.

19. The Issuer will rebate to the United States the amount, if any, required by the Code and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take all other actions required of it in order to maintain the exclusion of interest on the Series 2018 B Bonds from gross income for federal income tax purposes.

20. The Issuer has retained the right to amend the Bond Legislation authorizing the issuance of the Series 2018 B Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Series 2018 B Bonds from the gross income of the holders thereof.

21. The Issuer shall comply with all yield restrictions on Series 2018 B Bond proceeds as set forth in the Code.

22. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Series 2018 B Bonds and the interest thereon. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2018 B 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 the Bond Legislation.

23. The Series 2018 B Bonds are a fixed yield issue. No interest or other amount payable on any of the Series 2018 B Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

24. Under Section 1.148-2(b) of the Regulations, an officer of the Issuer must certify the issuer's expectations as of the issue date. In accordance therewith, the undersigned Mayor of the Issuer hereby in good faith certifies that the representations and covenants set forth in this Certificate constitute the reasonable expectations of the Issuer as of the Issue Date. Accordingly, the representations and covenants set forth herein are intended and may be relied upon as the certification described in Section 1.148-2(b) of the Regulations and are being delivered as part of the record of proceedings in connection with the issuance of the Series 2018 B Bonds.

25. To the best of my knowledge, information and belief there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

26. Steptoe & Johnson PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Series 2018 B Bonds.

27. Notwithstanding any other provision hereof, any provision of this Tax and Arbitrage Certificate shall be amended at any time and such amendment shall be complied with, upon receipt by the Issuer of an opinion of Bond Counsel that such amendment is necessary or permissible under the then current Code and Regulations and is either necessary to or will not adversely affect the excludability of interest on the Series 2018 B Bonds from gross income of the recipients thereof for federal income tax purposes.

28. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

WITNESS my signature the day and year first written above.

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

EXHIBIT A

ISSUE PRICE CERTIFICATE

[Included in Transcript as Document No. 19]

EXHIBIT B

PRINCIPAL AMOUNTS, INTEREST RATES, PRICES AND REDEMPTION TERMS

Principal Amounts, Interest Rates and Prices

$15,830,000 Series 2018 B Serial Bonds

Maturity Date (December 1)	Principal Amount	Interest Rate	Yield	Price
2019	970,000.00	5.000%	1.620%	104.741
2020	485,000.00	5.000%	1.800%	107.558
2021	535,000.00	5.000%	1.970%	109.986
2022	585,000.00	5.000%	2.090%	112.236
2023	645,000.00	5.000%	2.240%	114.023
2024	190,000.00	3.000%	2.420%	103.430
2025	220,000.00	3.000%	2.570%	102.888
2026	255,000.00	3.000%	2.710%	102.170
2027	295,000.00	3.000%	2.830%	101.396
2028	335,000.00	3.000%	2.940%	100.511*
2029	385,000.00	3.000%	3.080%	99.232
2030	435,000.00	3.125%	3.220%	99.031
2031	495,000.00	3.125%	3.260%	98.540
2032	990,000.00	3.250%	3.360%	98.748
2033	1,215,000.00	5.000%	3.110%	116.030*
2034	1,330,000.00	5.000%	3.160%	115.568*
2035	1,430,000.00	3.500%	3.600%	98.711
2036	1,540,000.00	5.000%	3.230%	114.925*
2037	1,675,000.00	5.000%	3.270%	114.559*
2038	1,820,000.00	5.000%	3.290%	114.376*

$19,585,000 5.000% Term Bond Maturing December 1, 2043 at 3.410% Yield 113.290* Price

$8,845,000 4.000% Term Bond Maturing December 1, 2048 at 3.900% Yield 100.814* Price

* Priced to the first optional call date of June 1, 2028.

Optional and Mandatory Redemption

Optional Redemption

The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

Mandatory Redemption

The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	$1,965,000
2040	$2,120,000
2041	$4,910,000
2042	$5,160,000
2043*	$5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	$5,700,000
2045	$3,035,000
2046	$ 35,000
2047	$ 35,000
2048*	$ 40,000

* Final Maturity

EXHIBIT C

IRS FORM 8038-G

[Included in Transcript as Document No. 42]

EXHIBIT D

Tax Compliance Policies

TAX COMPLIANCE POLICIES

The City of Morgantown

Purpose

Issuers of tax-exempt bonds must comply with federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by The City of Morgantown (the *"Issuer"*) with these rules in connection with the issuance of the Issuer's Combined Utility System Revenue Bonds, Series 2018 B (the "*Tax-Exempt Bonds*").

Tax Requirements Associated with Sale and Issuance of Bonds

Review and retention of tax documents related to the sale and issuance of Bonds will be supervised by the Mayor of the Issuer or his/her designee (the "*Oversight Officer*").

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

Expenditure of Proceeds for Qualified Costs

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

- Bond proceeds will be disbursed pursuant to an approved form of requisition stating the date, amount and purpose of the disbursement.

- Requisitions must identify the financed property and certify as to the character and average economic life of the bond-financed property.

- Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a "declaration of intent" to reimburse the costs was adopted by the Issuer. If proceeds are used for reimbursement, a copy of the declaration will be obtained and included in the records for the Tax-Exempt Bonds, if not already part of the bond transcript.

- Requisitions will be summarized in a "final allocation" of proceeds to uses not later than 18 months after the in-service date of the financed property (and in any event not later than 5 years and 60 days after the issuance of the Tax-Exempt Bonds).

- Expenditure of proceeds will be monitored against the expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 5

years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the Tax-Exempt Bonds.

- If the 18-month spending exception to rebate applies, expenditure of gross proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable:

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

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

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

Expenditure of Proceeds

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

- Only a small portion (5%) of the proceeds of Tax-Exempt Bonds can be used for operating expenses or other "working capital" costs. Requisitions for costs of the Project will accordingly be monitored to confirm that they are for capital costs of the Project.

- Investment earnings on sale proceeds of the Tax-Exempt Bonds will be tracked and will be requisitioned only for appropriate expenditures.

Use of Bond-Financed Property

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

- Average nonexempt use of bond-financed property over the life of the issue cannot exceed 10% of the proceeds.

- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt

use of bond-financed property will be reviewed prior to execution of any contract to determine if property is bond-financed.

- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit.

- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a "remedial action" under the applicable Income Tax Regulations.

Investments and IRS Filings

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

- Guaranteed investment contracts ("*GIC*") will be purchased only using the three-bid "safe harbor" of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.

- Other investments will be purchased only in market transactions.

- Calculations of rebate liability will be performed annually by outside consultants.

- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.

- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

Records

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

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

- Retainable records pertaining to the Tax-Exempt Bonds include transcript of documents executed in connection with the issuance of the bonds (including authorizing resolutions, and Form 8038-G) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.

- Retainable records pertaining to expenditures of bond proceeds include requisitions, trustee statements and final allocation of proceeds.

- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use.

- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

Overall Responsibility

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

THE CITY OF MORGANTOWN

_____

By:
Title:

Date: June 28, 2018

TAX COMPLIANCE POLICY

THE CITY OF MORGANTOWN (WEST VIRGINIA)

Purpose

Governmental issuers of tax-exempt and tax-credit bonds must comply with certain federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by The City of Morgantown, West Virginia (the *"Issuer"*), as the issuer, with these rules in connection with the issuance of the Issuer's Combined Utility System Revenue Bonds, Series 2018 B (the "*Tax-Exempt Bonds*"). It is understood and agreed by the Issuer, and the Issuer has covenanted to take all actions necessary to maintain the Tax-Exempt Bonds as tax-exempt state and local bonds.

Tax Requirements Associated with Sale and Issuance of Bonds

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

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

Expenditure of Proceeds for Governmental Costs

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

- Bond proceeds will be disbursed pursuant to the Bond Ordinance, and will be a written order of an Authorized Officer, stating the date, amount and purpose of the disbursement.

- Requisitions must identify the financed property in conformity with the Tax and Non-Arbitrage Certificate executed by the Issuer at closing, including any certifications as to the character and average economic life of the bond-financed property.

- Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a "declaration of intent" to reimburse the costs was adopted by The City. If proceeds are used for reimbursement, a copy of the declaration will be obtained

and included in the records for the Tax-Exempt Bonds, if not already part of the bond transcript.

- Requisitions will be in accordance with expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the Tax-Exempt Bonds.

- If the 18-month spending exception to rebate applies, expenditure of gross proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable:

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

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

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

Expenditure of Proceeds

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

- Reserve funds cannot exceed the least of 10% of bond proceeds, maximum annual debt service, or 125% of average annual debt service. The initial funding of any reserve fund will be measured against this limit.

- Only a small portion (5%) of the proceeds of Tax-Exempt Bonds can be used for operating expenses or other "working capital" costs. Requisitions for costs of the Project will accordingly be monitored to confirm that they are for capital costs of the Project.

- Investment earnings on sale proceeds of the Tax-Exempt Bonds will be tracked and will be requisitioned only for appropriate expenditures.

Use of Bond-Financed Property

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

- Average nonexempt use of bond-financed property over the life of the issue cannot exceed 10% of the proceeds.

- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property subject to the Bond Ordinance is bond-financed.

- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit, as set forth in the Tax Certificate.

- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a "remedial action" under the applicable Income Tax Regulations.

Investments and IRS Filings

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

- Guaranteed investment contracts ("*GIC*") will be purchased only using the three-bid "safe harbor" of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.

- Other investments will be purchased only in market transactions.

- Calculations of rebate liability will be performed annually by outside consultants.

- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.

- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

Records

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

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

- Retainable records pertaining to the Tax-Exempt Bonds include transcript of documents executed in connection with the issuance of the bonds (including authorizing resolutions, Bond Ordinance, Form 8038-G, and Tax Certificate) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.

- Retainable records pertaining to expenditures of bond proceeds include requisitions, accounting statements and final allocation of proceeds.

- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use and any reviewed documents relating to unrelated business activity.

- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

Amendment

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

Overall Responsibility

Overall administration and coordination of this policy is the responsibility of the Oversight Officer, as designated by the Mayor.

THE CITY OF MORGANTOWN, WEST VIRGINIA

By: Mayor
Date: June 5, 2018

THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS
SERIES 2018 B (TAX-EXEMPT)

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative (the "Representative") of itself, and Crews & Associates, Inc. (together, the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the General Rule Maturities***. As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price-Maturities***.

(a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement for the Bonds, each member of the Underwriting Group has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, the Representative would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, to the best of our knowledge based on our records, the Representative has not offered or sold any unsold Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day

after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means The City of Morgantown, West Virginia.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party (as such terms are defined below) to an Underwriter.

(g) A purchaser of any of the Bonds is a *Related Party* to any Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(h) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is June 21, 2018.

(i) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only, and as it relates to the actions of the other Underwriters, such representations are made to the best of the Representative's knowledge based on the Representative's records. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Steptoe & Johnson PLLC, Bond Counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The representations set

forth herein are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by other members of the Underwriting Group.

Dated: June 28, 2018

Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the Underwriting Group

By: _____

Name: Eugene P. Spinelli

Schedule A
Sale Prices

General Rule Maturities

____ Not Applicable

_X_ Maturities Listed Below

Maturity Date	Amount ($)	Rate	Yield	Price	At Least 10% Sold at Initial Public Offering	Maturities Subject to Hold-the-Offering-Price Rule
12/1/2019	970,000	5.000%	1.620%	104.741	Yes	
12/1/2020	485,000	5.000%	1.800%	107.558		Yes
12/1/2021	535,000	5.000%	1.970%	109.986	Yes	
12/1/2022	585,000	5.000%	2.090%	112.236		Yes
12/1/2023	645,000	5.000%	2.240%	114.023	Yes	
12/1/2024	190,000	3.000%	2.420%	103.430	Yes	
12/1/2025	220,000	3.000%	2.570%	102.888	Yes	
12/1/2026	255,000	3.000%	2.710%	102.170	Yes	
12/1/2027	295,000	3.000%	2.830%	101.396	Yes	
12/1/2028	335,000	3.000%	2.940%	100.511*	Yes	
12/1/2029	385,000	3.000%	3.080%	99.232	Yes	
12/1/2030	435,000	3.125%	3.220%	99.031	Yes	
12/1/2031	495,000	3.125%	3.260%	98.540	Yes	
12/1/2032	990,000	3.250%	3.360%	98.748	Yes	
12/1/2033	1,215,000	5.000%	3.110%	116.030*	Yes	
12/1/2034	1,330,000	5.000%	3.160%	115.568*	Yes	
12/1/2035	1,430,000	3.500%	3.600%	98.711	Yes	
12/1/2036	1,540,000	5.000%	3.230%	114.925*	Yes	
12/1/2037	1,675,000	5.000%	3.270%	114.559*	Yes	
12/1/2038	1,820,000	5.000%	3.290%	114.376*	Yes	
12/1/2043	19,585,000	5.000%	3.410%	113.290*	Yes	
12/1/2048	8,845,000	4.000%	3.900%	100.814*	Yes	

*Priced to an optional call date of June 1, 2028.

Hold-the-Offering-Price Rule Maturities

____ Not Applicable

_X_ Maturities Listed Below

Maturity Date	Amount ($)	Rate	Yield	Price
12/1/2020	485,000	5.000%	1.800%	107.558
12/1/2022	585,000	5.000%	2.090%	112.236

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SOURCES AND USES OF FUNDS

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Sources:	
Bond Proceeds:	
Par Amount	44,260,000.00
Net Premium	4,089,120.90
	48,349,120.90
Uses:	
Project Fund Deposits:	
Stormwater Portion	700,000.00
Dam-Reservoir Project	47,138,082.00
	47,838,082.00
Delivery Date Expenses:	
Cost of Issuance	265,500.00
Underwriter's Discount	190,069.98
Surety Premium for Arbitrage Yield	53,505.71
	509,075.69
Other Uses of Funds:	
Additional Proceeds	1,963.21
	48,349,120.90

BOND SUMMARY STATISTICS

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Dated Date	06/28/2018
Delivery Date	06/28/2018
Last Maturity	12/01/2048
Arbitrage Yield	3.529643%
True Interest Cost (TIC)	3.966944%
Net Interest Cost (NIC)	4.193733%
All-In TIC	4.016838%
Average Coupon	4.616660%
Average Life (years)	20.830
Duration of Issue (years)	13.604
Par Amount	44,260,000.00
Bond Proceeds	48,349,120.90
Total Interest	42,561,932.20
Net Interest	38,662,881.28
Total Debt Service	86,821,932.20
Maximum Annual Debt Service	5,939,800.00
Average Annual Debt Service	2,853,637.87
Underwriter's Fees (per $1000)	
Average Takedown	3.111274
Other Fee	1.183122
Total Underwriter's Discount	4.294396
Bid Price	108.809424

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bond	15,830,000.00	108.934	4.462%	13.650	13,262.25
Term Bond	19,585,000.00	113.290	5.000%	23.934	17,626.50
Term Bond	8,845,000.00	100.814	4.000%	26.806	7,252.90
	44,260,000.00			20.830	38,141.65

	TIC	All-In TIC	Arbitrage Yield
Par Value	44,260,000.00	44,260,000.00	44,260,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	4,089,120.90	4,089,120.90	4,089,120.90
- Underwriter's Discount	-190,069.98	-190,069.98	
- Cost of Issuance Expense		-265,500.00	
- Other Amounts	-	-53,505.71	-53,505.71
Target Value	48,159,050.92	47,840,045.21	48,295,615.19
Target Date	06/28/2018	06/28/2018	06/28/2018
Yield	3.966944%	4.016838%	3.529643%

BOND PRICING

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Bond Component	Maturity Date	Amount	Rate	Yield	Price	
Serial Bond:						
	12/01/2019	970,000	5.000%	1.620%	104.741	
	12/01/2020	485,000	5.000%	1.800%	107.558	
	12/01/2021	535,000	5.000%	1.970%	109.986	
	12/01/2022	585,000	5.000%	2.090%	112.236	
	12/01/2023	645,000	5.000%	2.240%	114.023	
	12/01/2024	190,000	3.000%	2.420%	103.430	
	12/01/2025	220,000	3.000%	2.570%	102.888	
	12/01/2026	255,000	3.000%	2.710%	102.170	
	12/01/2027	295,000	3.000%	2.830%	101.396	
	12/01/2028	335,000	3.000%	2.940%	100.511	C
	12/01/2029	385,000	3.000%	3.080%	99.232	
	12/01/2030	435,000	3.125%	3.220%	99.031	
	12/01/2031	495,000	3.125%	3.260%	98.540	
	12/01/2032	990,000	3.250%	3.360%	98.748	
	12/01/2033	1,215,000	5.000%	3.110%	116.030	C
	12/01/2034	1,330,000	5.000%	3.160%	115.568	C
	12/01/2035	1,430,000	3.500%	3.600%	98.711	
	12/01/2036	1,540,000	5.000%	3.230%	114.925	C
	12/01/2037	1,675,000	5.000%	3.270%	114.559	C
	12/01/2038	1,820,000	5.000%	3.290%	114.376	C
		15,830,000				
Term Bond:						
	12/01/2039	1,965,000	5.000%	3.410%	113.290	C
	12/01/2040	2,120,000	5.000%	3.410%	113.290	C
	12/01/2041	4,910,000	5.000%	3.410%	113.290	C
	12/01/2042	5,160,000	5.000%	3.410%	113.290	C
	12/01/2043	5,430,000	5.000%	3.410%	113.290	C
		19,585,000				
Term Bond:						
	12/01/2044	5,700,000	4.000%	3.900%	100.814	C
	12/01/2045	3,035,000	4.000%	3.900%	100.814	C
	12/01/2046	35,000	4.000%	3.900%	100.814	C
	12/01/2047	35,000	4.000%	3.900%	100.814	C
	12/01/2048	40,000	4.000%	3.900%	100.814	C
		8,845,000				
		44,260,000				

Dated Date	06/28/2018	
Delivery Date	06/28/2018	
First Coupon	12/01/2018	
Par Amount	44,260,000.00	
Premium	4,089,120.90	
Production	48,349,120.90	109.238863%
Underwriter's Discount	-190,069.98	-0.429440%
Purchase Price	48,159,050.92	108.809424%
Accrued Interest	-	
Net Proceeds	48,159,050.92	

BOND MATURITY TABLE

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Maturity Date	Serial Bond	Term Bond	Term Bond	Total
12/01/2019	970,000	-	-	970,000
12/01/2020	485,000	-	-	485,000
12/01/2021	535,000	-	-	535,000
12/01/2022	585,000	-	-	585,000
12/01/2023	645,000	-	-	645,000
12/01/2024	190,000	-	-	190,000
12/01/2025	220,000	-	-	220,000
12/01/2026	255,000	-	-	255,000
12/01/2027	295,000	-	-	295,000
12/01/2028	335,000	-	-	335,000
12/01/2029	385,000	-	-	385,000
12/01/2030	435,000	-	-	435,000
12/01/2031	495,000	-	-	495,000
12/01/2032	990,000	-	-	990,000
12/01/2033	1,215,000	-	-	1,215,000
12/01/2034	1,330,000	-	-	1,330,000
12/01/2035	1,430,000	-	-	1,430,000
12/01/2036	1,540,000	-	-	1,540,000
12/01/2037	1,675,000	-	-	1,675,000
12/01/2038	1,820,000	-	-	1,820,000
12/01/2039	-	1,965,000	-	1,965,000
12/01/2040	-	2,120,000	-	2,120,000
12/01/2041	-	4,910,000	-	4,910,000
12/01/2042	-	5,160,000	-	5,160,000
12/01/2043	-	5,430,000	-	5,430,000
12/01/2044	-	-	5,700,000	5,700,000
12/01/2045	-	-	3,035,000	3,035,000
12/01/2046	-	-	35,000	35,000
12/01/2047	-	-	35,000	35,000
12/01/2048	-	-	40,000	40,000
	15,830,000	19,585,000	8,845,000	44,260,000

BOND SOLUTION

Morgantown Utility Board
Series 2018B, Stormwater Portion
FINAL NUMBERS

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service
06/30/2018	-	-	-
06/30/2019	-	26,131	26,131
06/30/2020	10,000	38,000	38,000
06/30/2021	10,000	37,500	37,500
06/30/2022	15,000	41,875	41,875
06/30/2023	15,000	41,125	41,125
06/30/2024	15,000	40,375	40,375
06/30/2025	15,000	39,775	39,775
06/30/2026	15,000	39,325	39,325
06/30/2027	15,000	38,875	38,875
06/30/2028	15,000	38,425	38,425
06/30/2029	15,000	37,975	37,975
06/30/2030	15,000	37,525	37,525
06/30/2031	20,000	41,988	41,988
06/30/2032	20,000	41,363	41,363
06/30/2033	20,000	40,725	40,725
06/30/2034	20,000	39,900	39,900
06/30/2035	20,000	38,900	38,900
06/30/2036	20,000	38,050	38,050
06/30/2037	20,000	37,200	37,200
06/30/2038	25,000	41,075	41,075
06/30/2039	25,000	39,825	39,825
06/30/2040	25,000	38,575	38,575
06/30/2041	25,000	37,325	37,325
06/30/2042	30,000	40,950	40,950
06/30/2043	30,000	39,450	39,450
06/30/2044	30,000	37,950	37,950
06/30/2045	35,000	41,500	41,500
06/30/2046	35,000	40,100	40,100
06/30/2047	35,000	38,700	38,700
06/30/2048	35,000	37,300	37,300
06/30/2049	40,000	40,800	40,800
	665,000	1,208,581	1,208,581

BOND SOLUTION

Morgantown Utility Board
Series 2018B, Dam Reservoir Portion
FINAL NUMBERS

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2018	-	-	-	-	-	-	-
06/30/2019	-	1,856,001	4,004,656	5,860,657	5,860,657	0	100.00000%
06/30/2020	960,000	2,942,488	3,993,067	6,935,555	6,939,343	3,789	100.05462%
06/30/2021	475,000	2,421,613	3,974,566	6,396,179	6,400,000	3,822	100.05975%
06/30/2022	520,000	2,441,738	3,954,066	6,395,804	6,400,000	4,197	100.06561%
06/30/2023	570,000	2,464,488	3,930,774	6,395,262	6,400,000	4,739	100.07409%
06/30/2024	630,000	2,494,488	3,903,842	6,398,330	6,400,000	1,671	100.02611%
06/30/2025	175,000	2,021,113	3,878,041	5,899,154	5,900,000	847	100.01435%
06/30/2026	205,000	2,045,413	3,853,337	5,898,750	5,900,000	1,251	100.02120%
06/30/2027	240,000	2,073,738	3,825,037	5,898,775	5,900,000	1,226	100.02078%
06/30/2028	280,000	2,105,938	3,793,637	5,899,575	5,900,000	426	100.00721%
06/30/2029	320,000	2,136,938	3,758,500	5,895,438	5,900,000	4,563	100.07739%
06/30/2030	370,000	2,176,588	3,719,124	5,895,712	5,900,000	4,289	100.07274%
06/30/2031	415,000	2,209,553	3,685,688	5,895,241	5,900,000	4,759	100.08072%
06/30/2032	475,000	2,255,647	3,643,031	5,898,678	5,900,000	1,322	100.02241%
06/30/2033	970,000	2,727,463	3,170,671	5,898,134	5,900,000	1,867	100.03165%
06/30/2034	1,195,000	2,906,825	2,988,664	5,895,489	5,900,000	4,511	100.07652%
06/30/2035	1,310,000	2,959,200	2,939,829	5,899,029	5,900,000	971	100.01646%
06/30/2036	1,410,000	3,001,775	2,895,894	5,897,669	5,900,000	2,331	100.03952%
06/30/2037	1,520,000	3,049,100	2,846,541	5,895,641	5,900,000	4,359	100.07394%
06/30/2038	1,650,000	3,099,850	2,796,610	5,896,460	5,900,000	3,540	100.06004%
06/30/2039	1,795,000	3,158,725	2,740,941	5,899,666	5,900,000	334	100.00566%
06/30/2040	1,940,000	3,210,350	2,689,216	5,899,566	5,900,000	434	100.00736%
06/30/2041	2,095,000	3,264,475	2,631,116	5,895,591	5,900,000	4,409	100.07478%
06/30/2042	4,880,000	5,875,100	20,473	5,895,573	5,900,000	4,427	100.07509%
06/30/2043	5,130,000	5,874,850	20,473	5,895,323	5,900,000	4,677	100.07933%
06/30/2044	5,400,000	5,881,600	15,354	5,896,954	5,900,000	3,046	100.05165%
06/30/2045	5,665,000	5,898,300	-	5,898,300	5,900,000	1,700	100.02882%
06/30/2046	3,000,000	3,060,000	-	3,060,000	5,900,000	2,840,000	192.81046%
06/30/2047	-	-	-	-	5,900,000	5,900,000	-
06/30/2048	-	-	-	-	5,900,000	5,900,000	-
06/30/2049	-	-	-	-	-	-	-
	43,595,000	85,613,351	79,673,148	165,286,499	180,000,000	14,713,501	

BOND DEBT SERVICE

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2018	-	-	864,763.44	864,763.44	-
06/01/2019	-	-	1,017,368.75	1,017,368.75	-
06/30/2019	-	-	-	-	1,882,132.19
12/01/2019	970,000	5.000%	1,017,368.75	1,987,368.75	-
06/01/2020	-	-	993,118.75	993,118.75	-
06/30/2020	-	-	-	-	2,980,487.50
12/01/2020	485,000	5.000%	993,118.75	1,478,118.75	-
06/01/2021	-	-	980,993.75	980,993.75	-
06/30/2021	-	-	-	-	2,459,112.50
12/01/2021	535,000	5.000%	980,993.75	1,515,993.75	-
06/01/2022	-	-	967,618.75	967,618.75	-
06/30/2022	-	-	-	-	2,483,612.50
12/01/2022	585,000	5.000%	967,618.75	1,552,618.75	-
06/01/2023	-	-	952,993.75	952,993.75	-
06/30/2023	-	-	-	-	2,505,612.50
12/01/2023	645,000	5.000%	952,993.75	1,597,993.75	-
06/01/2024	-	-	936,868.75	936,868.75	-
06/30/2024	-	-	-	-	2,534,862.50
12/01/2024	190,000	3.000%	936,868.75	1,126,868.75	-
06/01/2025	-	-	934,018.75	934,018.75	-
06/30/2025	-	-	-	-	2,060,887.50
12/01/2025	220,000	3.000%	934,018.75	1,154,018.75	-
06/01/2026	-	-	930,718.75	930,718.75	-
06/30/2026	-	-	-	-	2,084,737.50
12/01/2026	255,000	3.000%	930,718.75	1,185,718.75	-
06/01/2027	-	-	926,893.75	926,893.75	-
06/30/2027	-	-	-	-	2,112,612.50
12/01/2027	295,000	3.000%	926,893.75	1,221,893.75	-
06/01/2028	-	-	922,468.75	922,468.75	-
06/30/2028	-	-	-	-	2,144,362.50
12/01/2028	335,000	3.000%	922,468.75	1,257,468.75	-
06/01/2029	-	-	917,443.75	917,443.75	-
06/30/2029	-	-	-	-	2,174,912.50
12/01/2029	385,000	3.000%	917,443.75	1,302,443.75	-
06/01/2030	-	-	911,668.75	911,668.75	-
06/30/2030	-	-	-	-	2,214,112.50
12/01/2030	435,000	3.125%	911,668.75	1,346,668.75	-
06/01/2031	-	-	904,871.88	904,871.88	-
06/30/2031	-	-	-	-	2,251,540.63
12/01/2031	495,000	3.125%	904,871.88	1,399,871.88	-
06/01/2032	-	-	897,137.50	897,137.50	-
06/30/2032	-	-	-	-	2,297,009.38
12/01/2032	990,000	3.250%	897,137.50	1,887,137.50	-
06/01/2033	-	-	881,050.00	881,050.00	-
06/30/2033	-	-	-	-	2,768,187.50
12/01/2033	1,215,000	5.000%	881,050.00	2,096,050.00	-
06/01/2034	-	-	850,675.00	850,675.00	-
06/30/2034	-	-	-	-	2,946,725.00
12/01/2034	1,330,000	5.000%	850,675.00	2,180,675.00	-
06/01/2035	-	-	817,425.00	817,425.00	-
06/30/2035	-	-	-	-	2,998,100.00
12/01/2035	1,430,000	3.500%	817,425.00	2,247,425.00	-
06/01/2036	-	-	792,400.00	792,400.00	-
06/30/2036	-	-	-	-	3,039,825.00
12/01/2036	1,540,000	5.000%	792,400.00	2,332,400.00	-
06/01/2037	-	-	753,900.00	753,900.00	-
06/30/2037	-	-	-	-	3,086,300.00
12/01/2037	1,675,000	5.000%	753,900.00	2,428,900.00	-
06/01/2038	-	-	712,025.00	712,025.00	-
06/30/2038	-	-	-	-	3,140,925.00
12/01/2038	1,820,000	5.000%	712,025.00	2,532,025.00	-
06/01/2039	-	-	666,525.00	666,525.00	-
06/30/2039	-	-	-	-	3,198,550.00
12/01/2039	1,965,000	5.000%	666,525.00	2,631,525.00	-
06/01/2040	-	-	617,400.00	617,400.00	-
06/30/2040	-	-	-	-	3,248,925.00
12/01/2040	2,120,000	5.000%	617,400.00	2,737,400.00	-
06/01/2041	-	-	564,400.00	564,400.00	-
06/30/2041	-	-	-	-	3,301,800.00
12/01/2041	4,910,000	5.000%	564,400.00	5,474,400.00	-
06/01/2042	-	-	441,650.00	441,650.00	-
06/30/2042	-	-	-	-	5,916,050.00
12/01/2042	5,160,000	5.000%	441,650.00	5,601,650.00	-
06/01/2043	-	-	312,650.00	312,650.00	-
06/30/2043	-	-	-	-	5,914,300.00
12/01/2043	5,430,000	5.000%	312,650.00	5,742,650.00	-
06/01/2044	-	-	176,900.00	176,900.00	-
06/30/2044	-	-	-	-	5,919,550.00
12/01/2044	5,700,000	4.000%	176,900.00	5,876,900.00	-
06/01/2045	-	-	62,900.00	62,900.00	-
06/30/2045	-	-	-	-	5,939,800.00
12/01/2045	3,035,000	4.000%	62,900.00	3,097,900.00	-

BOND DEBT SERVICE

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2046	-	-	2,200.00	2,200.00	-
06/30/2046	-	-	-	-	3,100,100.00
12/01/2046	35,000	4.000%	2,200.00	37,200.00	-
06/01/2047	-	-	1,500.00	1,500.00	-
06/30/2047	-	-	-	-	38,700.00
12/01/2047	35,000	4.000%	1,500.00	36,500.00	-
06/01/2048	-	-	800.00	800.00	-
06/30/2048	-	-	-	-	37,300.00
12/01/2048	40,000	4.000%	800.00	40,800.00	-
06/30/2049	-	-	-	-	40,800.00
	44,260,000		42,561,932.20	86,821,932.20	86,821,932.20

AGGREGATE DEBT SERVICE

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Date	Series 2018B, Stormwater Portion	Series 2018B, Dam Reservoir Portion	Aggregate Debt Service
12/01/2018	12,006.25	852,757.19	864,763.44
06/01/2019	14,125.00	1,003,243.75	1,017,368.75
12/01/2019	24,125.00	1,963,243.75	1,987,368.75
06/01/2020	13,875.00	979,243.75	993,118.75
12/01/2020	23,875.00	1,454,243.75	1,478,118.75
06/01/2021	13,625.00	967,368.75	980,993.75
12/01/2021	28,625.00	1,487,368.75	1,515,993.75
06/01/2022	13,250.00	954,368.75	967,618.75
12/01/2022	28,250.00	1,524,368.75	1,552,618.75
06/01/2023	12,875.00	940,118.75	952,993.75
12/01/2023	27,875.00	1,570,118.75	1,597,993.75
06/01/2024	12,500.00	924,368.75	936,868.75
12/01/2024	27,500.00	1,099,368.75	1,126,868.75
06/01/2025	12,275.00	921,743.75	934,018.75
12/01/2025	27,275.00	1,126,743.75	1,154,018.75
06/01/2026	12,050.00	918,668.75	930,718.75
12/01/2026	27,050.00	1,158,668.75	1,185,718.75
06/01/2027	11,825.00	915,068.75	926,893.75
12/01/2027	26,825.00	1,195,068.75	1,221,893.75
06/01/2028	11,600.00	910,868.75	922,468.75
12/01/2028	26,600.00	1,230,868.75	1,257,468.75
06/01/2029	11,375.00	906,068.75	917,443.75
12/01/2029	26,375.00	1,276,068.75	1,302,443.75
06/01/2030	11,150.00	900,518.75	911,668.75
12/01/2030	31,150.00	1,315,518.75	1,346,668.75
06/01/2031	10,837.50	894,034.38	904,871.88
12/01/2031	30,837.50	1,369,034.38	1,399,871.88
06/01/2032	10,525.00	886,612.50	897,137.50
12/01/2032	30,525.00	1,856,612.50	1,887,137.50
06/01/2033	10,200.00	870,850.00	881,050.00
12/01/2033	30,200.00	2,065,850.00	2,096,050.00
06/01/2034	9,700.00	840,975.00	850,675.00
12/01/2034	29,700.00	2,150,975.00	2,180,675.00
06/01/2035	9,200.00	808,225.00	817,425.00
12/01/2035	29,200.00	2,218,225.00	2,247,425.00
06/01/2036	8,850.00	783,550.00	792,400.00
12/01/2036	28,850.00	2,303,550.00	2,332,400.00
06/01/2037	8,350.00	745,550.00	753,900.00
12/01/2037	33,350.00	2,395,550.00	2,428,900.00
06/01/2038	7,725.00	704,300.00	712,025.00
12/01/2038	32,725.00	2,499,300.00	2,532,025.00
06/01/2039	7,100.00	659,425.00	666,525.00
12/01/2039	32,100.00	2,599,425.00	2,631,525.00
06/01/2040	6,475.00	610,925.00	617,400.00
12/01/2040	31,475.00	2,705,925.00	2,737,400.00
06/01/2041	5,850.00	558,550.00	564,400.00
12/01/2041	35,850.00	5,438,550.00	5,474,400.00
06/01/2042	5,100.00	436,550.00	441,650.00
12/01/2042	35,100.00	5,566,550.00	5,601,650.00
06/01/2043	4,350.00	308,300.00	312,650.00
12/01/2043	34,350.00	5,708,300.00	5,742,650.00
06/01/2044	3,600.00	173,300.00	176,900.00
12/01/2044	38,600.00	5,838,300.00	5,876,900.00
06/01/2045	2,900.00	60,000.00	62,900.00
12/01/2045	37,900.00	3,060,000.00	3,097,900.00
06/01/2046	2,200.00	-	2,200.00
12/01/2046	37,200.00	-	37,200.00
06/01/2047	1,500.00	-	1,500.00
12/01/2047	36,500.00	-	36,500.00
06/01/2048	800.00	-	800.00
12/01/2048	40,800.00	-	40,800.00
	1,208,581.25	85,613,350.95	86,821,932.20

FORM 8038 STATISTICS

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Dated Date	06/28/2018
Delivery Date	06/28/2018

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bond:						
	12/01/2019	970,000.00	5.000%	104.741	1,015,987.70	970,000.00
	12/01/2020	485,000.00	5.000%	107.558	521,656.30	485,000.00
	12/01/2021	535,000.00	5.000%	109.986	588,425.10	535,000.00
	12/01/2022	585,000.00	5.000%	112.236	656,580.60	585,000.00
	12/01/2023	645,000.00	5.000%	114.023	735,448.35	645,000.00
	12/01/2024	190,000.00	3.000%	103.430	196,517.00	190,000.00
	12/01/2025	220,000.00	3.000%	102.888	226,353.60	220,000.00
	12/01/2026	255,000.00	3.000%	102.170	260,533.50	255,000.00
	12/01/2027	295,000.00	3.000%	101.396	299,118.20	295,000.00
	12/01/2028	335,000.00	3.000%	100.511	336,711.85	335,000.00
	12/01/2029	385,000.00	3.000%	99.232	382,043.20	385,000.00
	12/01/2030	435,000.00	3.125%	99.031	430,784.85	435,000.00
	12/01/2031	495,000.00	3.125%	98.540	487,773.00	495,000.00
	12/01/2032	990,000.00	3.250%	98.748	977,605.20	990,000.00
	12/01/2033	1,215,000.00	5.000%	116.030	1,409,764.50	1,215,000.00
	12/01/2034	1,330,000.00	5.000%	115.568	1,537,054.40	1,330,000.00
	12/01/2035	1,430,000.00	3.500%	98.711	1,411,567.30	1,430,000.00
	12/01/2036	1,540,000.00	5.000%	114.925	1,769,845.00	1,540,000.00
	12/01/2037	1,675,000.00	5.000%	114.559	1,918,863.25	1,675,000.00
	12/01/2038	1,820,000.00	5.000%	114.376	2,081,643.20	1,820,000.00
Term Bond:						
	12/01/2039	1,965,000.00	5.000%	113.290	2,226,148.50	1,965,000.00
	12/01/2040	2,120,000.00	5.000%	113.290	2,401,748.00	2,120,000.00
	12/01/2041	4,910,000.00	5.000%	113.290	5,562,539.00	4,910,000.00
	12/01/2042	5,160,000.00	5.000%	113.290	5,845,764.00	5,160,000.00
	12/01/2043	5,430,000.00	5.000%	113.290	6,151,647.00	5,430,000.00
Term Bond:						
	12/01/2044	5,700,000.00	4.000%	100.814	5,746,398.00	5,700,000.00
	12/01/2045	3,035,000.00	4.000%	100.814	3,059,704.90	3,035,000.00
	12/01/2046	35,000.00	4.000%	100.814	35,284.90	35,000.00
	12/01/2047	35,000.00	4.000%	100.814	35,284.90	35,000.00
	12/01/2048	40,000.00	4.000%	100.814	40,325.60	40,000.00
		44,260,000.00			48,349,120.90	44,260,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	12/01/2048	4.000%	40,325.60	40,000.00	-	-
Entire Issue	-	-	48,349,120.90	44,260,000.00	20.8385	3.5296%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	455,569.98
Proceeds used for credit enhancement	53,505.71
Proceeds allocated to reasonably required reserve or replacement fund	0.00

PROOF OF ARBITRAGE YIELD

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Date	Debt Service	Total	Present Value to 06/28/2018 @ 3.5296433588%
12/01/2018	864,763.44	864,763.44	851,999.41
06/01/2019	1,017,368.75	1,017,368.75	984,969.30
12/01/2019	1,987,368.75	1,987,368.75	1,890,710.69
06/01/2020	993,118.75	993,118.75	928,432.06
12/01/2020	1,478,118.75	1,478,118.75	1,357,877.52
06/01/2021	980,993.75	980,993.75	885,563.76
12/01/2021	1,515,993.75	1,515,993.75	1,344,786.47
06/01/2022	967,618.75	967,618.75	843,456.17
12/01/2022	1,552,618.75	1,552,618.75	1,329,919.62
06/01/2023	952,993.75	952,993.75	802,145.12
12/01/2023	1,597,993.75	1,597,993.75	1,321,722.53
06/01/2024	936,868.75	936,868.75	761,458.60
12/01/2024	1,126,868.75	1,126,868.75	900,001.43
06/01/2025	934,018.75	934,018.75	733,040.18
12/01/2025	1,154,018.75	1,154,018.75	889,994.61
06/01/2026	930,718.75	930,718.75	705,334.78
12/01/2026	1,185,718.75	1,185,718.75	883,000.29
06/01/2027	926,893.75	926,893.75	678,283.79
12/01/2027	1,221,893.75	1,221,893.75	878,652.71
06/01/2028	28,087,468.75	28,087,468.75	19,847,176.64
12/01/2028	578,343.75	578,343.75	401,582.25
06/01/2029	238,318.75	238,318.75	162,610.65
12/01/2029	623,318.75	623,318.75	417,929.76
06/01/2030	232,543.75	232,543.75	153,214.58
12/01/2030	667,543.75	667,543.75	432,192.76
06/01/2031	225,746.88	225,746.88	143,622.29
12/01/2031	720,746.88	720,746.88	450,593.76
06/01/2032	218,012.50	218,012.50	133,932.54
12/01/2032	1,208,012.50	1,208,012.50	729,253.43
06/01/2033	201,925.00	201,925.00	119,784.18
12/01/2033	201,925.00	201,925.00	117,706.86
06/01/2034	201,925.00	201,925.00	115,665.57
12/01/2034	201,925.00	201,925.00	113,659.68
06/01/2035	201,925.00	201,925.00	111,688.58
12/01/2035	1,631,925.00	1,631,925.00	886,995.04
06/01/2036	176,900.00	176,900.00	94,482.45
12/01/2036	176,900.00	176,900.00	92,843.92
06/01/2037	176,900.00	176,900.00	91,233.81
12/01/2037	176,900.00	176,900.00	89,651.62
06/01/2038	176,900.00	176,900.00	88,096.86
12/01/2038	176,900.00	176,900.00	86,569.07
06/01/2039	176,900.00	176,900.00	85,067.78
12/01/2039	176,900.00	176,900.00	83,592.52
06/01/2040	176,900.00	176,900.00	82,142.85
12/01/2040	176,900.00	176,900.00	80,718.31
06/01/2041	176,900.00	176,900.00	79,318.48
12/01/2041	176,900.00	176,900.00	77,942.93
06/01/2042	176,900.00	176,900.00	76,591.23
12/01/2042	176,900.00	176,900.00	75,262.97
06/01/2043	176,900.00	176,900.00	73,957.75
12/01/2043	176,900.00	176,900.00	72,675.16
06/01/2044	176,900.00	176,900.00	71,414.82
12/01/2044	5,876,900.00	5,876,900.00	2,331,369.59
06/01/2045	62,900.00	62,900.00	24,519.74
12/01/2045	3,097,900.00	3,097,900.00	1,186,683.41
06/01/2046	2,200.00	2,200.00	828.12
12/01/2046	37,200.00	37,200.00	13,759.89
06/01/2047	1,500.00	1,500.00	545.21
12/01/2047	36,500.00	36,500.00	13,036.76
06/01/2048	800.00	800.00	280.78
12/01/2048	40,800.00	40,800.00	14,071.54
	69,931,557.20	69,931,557.20	48,295,615.19

Proceeds Summary

Delivery date	06/28/2018
Par Value	44,260,000.00
Premium (Discount)	4,089,120.90
Arbitrage expenses	-53,505.71
Target for yield calculation	48,295,615.19

PROOF OF ARBITRAGE YIELD

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Yield To Call/Maturity
SERIAL	12/01/2033	5.000%	3.110%	06/01/2028	100.000	3.1106196%
SERIAL	12/01/2034	5.000%	3.160%	06/01/2028	100.000	3.1606034%
SERIAL	12/01/2036	5.000%	3.230%	06/01/2028	100.000	3.2305684%
SERIAL	12/01/2037	5.000%	3.270%	06/01/2028	100.000	3.2706022%
SERIAL	12/01/2038	5.000%	3.290%	06/01/2028	100.000	3.2906764%
TERM43	12/01/2039	5.000%	3.410%	06/01/2028	100.000	3.4106014%
TERM43	12/01/2040	5.000%	3.410%	06/01/2028	100.000	3.4106014%
TERM43	12/01/2041	5.000%	3.410%	06/01/2028	100.000	3.4106014%
TERM43	12/01/2042	5.000%	3.410%	06/01/2028	100.000	3.4106014%
TERM43	12/01/2043	5.000%	3.410%	06/01/2028	100.000	3.4106014%

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Yield To Call/Maturity	Increase to Yield
SERIAL	12/01/2033	5.000%	3.110%	-	-	3.6335554%	0.5229358%
SERIAL	12/01/2034	5.000%	3.160%	-	-	3.7245834%	0.5639800%
SERIAL	12/01/2036	5.000%	3.230%	-	-	3.8607331%	0.6301648%
SERIAL	12/01/2037	5.000%	3.270%	-	-	3.9223077%	0.6517056%
SERIAL	12/01/2038	5.000%	3.290%	-	-	3.9665840%	0.6759075%
TERM43	12/01/2039	5.000%	3.410%	-	-	4.0651599%	0.6545585%
TERM43	12/01/2040	5.000%	3.410%	-	-	4.0892494%	0.6786480%
TERM43	12/01/2041	5.000%	3.410%	-	-	4.1111169%	0.7005155%
TERM43	12/01/2042	5.000%	3.410%	-	-	4.1310367%	0.7204353%
TERM43	12/01/2043	5.000%	3.410%	-	-	4.1492401%	0.7386387%

UNDERWRITER'S DISCOUNT

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Underwriter's Discount	$/1000	Amount
Average Takedown	3.11127	137,705.00
UW Counsel	1.01672	45,000.00
CUSIP	0.02320	1,027.00
DTC Fee	0.01808	800.00
i-Deal (incl NY Tax)	0.06728	2,978.02
Dalcomp (incl NY Tax)	0.00258	114.32
Gameday (incl NY Tax)	0.03266	1,445.64
Miscellaneous	0.02259	1,000.00
	4.29440	190,069.98

COST OF ISSUANCE

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Cost of Issuance	$/1000	Amount
Bond Counsel	2.03344	90,000.00
Trustee	0.11297	5,000.00
Financial Advisor	1.86399	82,500.00
Moody's	0.74559	33,000.00
S&P	0.72300	32,000.00
Printer	0.12427	5,500.00
DAC	0.05648	2,500.00
Miscellaneous	0.33891	15,000.00
	5.99864	265,500.00

DISCLAIMER

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

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June 28, 2018

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2018 B

The City of Morgantown
Morgantown, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Merrill Lynch, Pierce, Fenner & Smith Incorporated
New York, New York

Crews & Associates, Inc.
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance enacted by The City of Morgantown (the "Issuer") on February 2, 2016, the water rate ordinance enacted on February 2, 2016, and the stormwater rate ordinance enacted on December 6, 2011, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by the Issuer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the combined waterworks, sewerage and stormwater system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Combined Utility System Revenue Bonds, Series 2018 B, issued in the original aggregate principal amount of $44,260,000 (the "Series 2018 B Bonds"), and all other obligations secured by a lien on or payable from such revenues, including the Issuer's:

(1) Combined Utility System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated February 29, 2000, issued in the original aggregate principal amount of $7,842,000 (the "Series 2000 A Bonds");

(2) Combined Utility System Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), dated February 29, 2000, issued in the original aggregate principal amount of $2,488,000 (the "Series 2000 B Bonds");

(3) Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), dated June 30, 2006, issued in the original aggregate principal amount of $6,410,191 (the "Series 2006 A Bonds");

(4) Combined Utility System Revenue Bonds, Series 2007 A (West Virginia SRF Program), dated August 14, 2007, issued in the original aggregate principal amount of $8,500,000 (the "Series 2007 A Bonds");

(5) Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), dated January 28, 2010, issued in the original aggregate principal amount of $37,950,000 (the "Series 2010 A Bonds");

(6) Combined Utility System Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated January 28, 2010, issued in the original aggregate principal amount of $15,380,227 (the "Series 2010 C Bonds");

(7) Combined Utility System Revenue Bonds, Series 2010 D (West Virginia DWTRF Program), dated January 28, 2010, issued in the original aggregate principal amount of $9,317,286 (the "Series 2010 D Bonds");

(8) Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), dated January 28, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 E Bonds");

(9) Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), dated January 28, 2010, issued in the original aggregate amount of $7,250,000 (the "Series 2010 F Bonds");

(10) Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 24, 2012, issued in the original aggregate principal amount of $570,000 (the "Series 2012 A Bonds");

(11) Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated August 22, 2013, issued in the original aggregate principal amount of $4,605,260 (the "Series 2013 A Bonds");

(12) Combined Utility System Revenue Bonds, Series 2014 B, of the Issuer, dated July 13, 2014, issued in the original aggregate principal amount of $505,421 (the "Series 2014 B Bonds");

(13) Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of $137,568 (the "Series 2015 A Bonds");

(14) Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of $4,586 (the "Series 2015 B Bonds");

(15) Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of $8,111,813 (the "Series 2015 C Bonds");

(16) Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of $1,688,394 (the "Series 2015 D Bonds");

(17) Combined Utility System Revenue Bonds, Series 2015 E (West Virginia SRF Program), of the Issuer, dated June 11, 2015 issued in the original aggregate principal amount of $662,300 (the "Series 2015 E Bonds");

(18) Combined Utility System Revenue Bonds, Series 2016 A, of the Issuer, dated December 1, 2016 issued in the original aggregate principal amount of $69,755,000 (the "Series 2016 A Bonds"); and

(19) Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), of the Issuer, dated December 15, 2016 issued in the original aggregate principal amount of $25,000,000 (the "Series 2016 B-1 Bonds")

(20) Combined Utility System Revenue Bonds, Series 2017 A (Bank Qualified), dated December 21, 2017, issued in the original aggregate principal amount of $2,695,000 (the "Series 2017 A Bonds"); and

(21) Combined Utility System Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), dated January 31, 2018, issued in the original aggregate principal amount of $394,074 (the "Series 2018 A Bonds) (the "Prior Bonds").

It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2018 B Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2018 B Bonds, if any, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Series 2018 B Bonds and the Prior Bonds.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.

THE CITY OF MORGANTOWN

$44,260,000 Combined Utility System Revenue Bonds, Series 2018 B

CERTIFICATE OF THE MORGANTOWN UTILITY BOARD

I, J.T. Straface, Chairman of the Morgantown Utility Board, hereby certify this 28th day of June, 2018 as follows:

1. The financial statements of the Utility Board as of June 30, 2017 fairly represent the receipts, expenditures, assets, liabilities and cash balances of the Combined Utility System and, insofar as presented, other funds of the Combined Utility System as of the dates and for the periods therein set forth.

2. Except as disclosed in the Official Statement, since June 30, 2017, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the Combined Utility System and the Combined Utility System has not incurred since June 30, 2017, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement.

3. The representations and agreements of the Utility Board contained in the Bond Purchase Agreement are true and correct in all material respects as of the date of the Closing.

4. Except as described in the Official Statement, no litigation is pending or, to the Chairman's knowledge, threatened (i) seeking to restrain or enjoin the Project, (ii) in any way contesting the creation, existence or powers of the Utility Board or the validity or effect of the Act or any provision thereof or the application of the proceeds of the Bonds, or (iii) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Utility Board or the Combined Utility System or the transactions contemplated by the Official Statement or any or all of the Legal Documents.

5. The Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6. Any certificates executed by any officer of the Utility Board and delivered to the Underwriter pursuant to the Bond Purchase Agreement shall be deemed a representation and warranty of the Utility Board as to the accuracy of the statements therein made.

[Remainder of Page Intentionally Blank]

WITNESS my signature on the day and year first written above.

MORGANTOWN UTILITY BOARD

By: _____
Chairman

627490.00055

8040624.2

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The Issuer deems this Preliminary Official Statement to be final for the purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information on the cover page hereof and certain pages herein which have been omitted in accordance with said Rule and which will be supplied in the final Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 8, 2018

NEW ISSUE **RATINGS: See "Ratings" herein**

BOOK ENTRY ONLY

In the opinion of Steptoe & Johnson PLLC, Bond Counsel, under existing law and assuming continuing compliance with various requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to the Code and such interest is not a specific item of tax preference for purposes of the Federal individual or corporate alternative minimum taxes; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion that under the laws of the State of West Virginia, as presently written and applied, the Bonds and the interest thereon are exempt from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof. See West Virginia Code Section 8-20-5 and "APPENDIX D – PROPOSED FORM OF BOND COUNSEL OPINION" herein. The above opinions are subject to certain limitations and exceptions. See "TAX MATTERS" herein.

$43,115,000*
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS
SERIES 2018 B

Dated: Date of Delivery **Due:** As shown on inside front cover

The Combined Utility System Revenue Bonds, Series 2018 B (the "Series 2018 B Bonds"), are being issued by The City of Morgantown, West Virginia (the "Issuer"), to provide funds, along with proceeds of the Series 2017 A Bonds (hereinafter defined): (i) to design, acquire, construct and equip certain additions, betterments and improvements to the Water System and Stormwater System of the Issuer's existing Combined Utility System (collectively, the "Project," as herein further described); (ii) to fund the Series 2018 B Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the "Series 2018 B Reserve Policy") from Build America Mutual Assurance Company ("BAM" or the "Bond Insurer"); [and] (iii) [to pay the premium for a municipal bond insurance policy (the "Series 2018 B Insurance Policy") from the Bond Insurer to secure the payment of the principal of, and interest on, the Series 2018 B Bonds; and (iv)] to pay Costs of Issuance (defined herein) of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds Reserve Account shall be funded through the Series 2018 B Reserve Policy issued simultaneously with the delivery of the Series 2018 B Bonds by the Bond Insurer in the amount equal to the Series 2018 B Bonds Reserve Requirement. For a description of [the Series 2018 B Insurance Policy,] the Series 2018 B Reserve Policy and the Bond Insurer, see "SECURITY FOR THE SERIES 2018 B BONDS – Sources of Payment" [and "APPENDIX G – BOND INSURER"] herein.

Interest on the Series 2018 B Bonds is payable on each June 1 and December l, commencing December 1, 2018 (each, a "Payment Date"). So long as the Series 2018 B Bonds are maintained under a book-entry system, payments of the principal of, and premium, if any, and interest on, the Series 2018 B Bonds will be made when due by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owners in accordance with the Series 2018 B Ordinance (as herein after defined), and the Paying Agent will have no obligation to make any payments to any beneficial owner of any of the Series 2018 B Bonds. See "THE SERIES 2018 B BONDS" and "BOOK-ENTRY ONLY SYSTEM."

The Series 2018 B Bonds are subject to optional and mandatory redemption prior to maturity as set forth herein. See "THE SERIES 2018 B BONDS – Redemption Provisions for Series 2018 B Bonds" herein.

The Series 2018 B Bonds are limited special obligations of the Issuer payable solely from and secured by the Gross Revenues (herein defined) derived from the combined potable water, sanitary sewer and stormwater utility system of the Issuer, which is managed, operated and maintained by the Morgantown Utility Board ("MUB"), and any extensions, improvements and betterments thereto, specifically including, but not limited to, the Project (collectively, the "Combined Utility System"), on a parity with the Prior Bonds (herein defined), any Additional Parity Bonds (herein defined) that may hereafter be issued by the Issuer, and from funds on deposit in, or with respect to the Series 2018 B Reserve Account, the Series 2018 B Reserve Policy pledged thereto, and the Series 2018 B Bonds Sinking Fund, and the unexpended proceeds of the Series 2018 B Bonds, all as more fully described herein. See "INTRODUCTION – Financing for the Project by the Issuer" herein.

The Series 2018 B Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, and the Issuer shall not be obligated to pay the Series 2018 B Bonds or the interest thereon except from the above-referenced Gross Revenues and the Series 2018 B Bonds Sinking Fund and Series 2018 B Bonds Reserve Account therein. The Series 2018 B Bonds shall not be general obligations of the Issuer. Neither the credit nor the taxing power of the Issuer shall be deemed to be pledged to, nor shall any tax ever be levied for, the payment of the principal of or interest on the Series 2018 B Bonds.

The Series 2018 B Bonds are issued in fully registered form in the denomination of $5,000 principal amount or any integral multiple thereof. Purchasers of the Series 2018 B Bonds will not receive certificates representing their interests in the Series 2018 B Bonds purchased. The Series 2018 B Bonds will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC").

[The scheduled payment of principal of and interest on the Series 2018 B Bonds when due will be guaranteed under the Series 2018 B Insurance Policy to be issued simultaneously with the delivery of the Series 2018 B Bonds by the Bond Insurer. For the forms of the Policies, see "APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" and "APPENDIX I – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY" herein.]



The Issuer has authorized the issuance of its Combined Utility System Revenue Bonds, Series 2018 A-2, in the original aggregate principal amount of $140,715 (the "Series 2018 A-2 Bonds") on a parity with the Prior Bonds and the Series 2018 B Bonds. The closing on the Series 2018 A-2 Bonds is scheduled for July, 2018.

This cover page contains only a brief description of the Issuer, the Project, and the Series 2018 B Bonds and the security therefor. This cover page is not a summary of this Official Statement. Investors should read the entire Official Statement, including all Appendices, to obtain information essential to the making of an informed investment decision.

The Series 2018 B Bonds are offered for delivery when, as and if issued and received by the Underwriters, subject to prior sale and to withdrawal or modification of the offering, without notice, and to the unqualified approval of legality by Steptoe & Johnson PLLC, Bond Counsel to the Issuer. Steptoe & Johnson PLLC also serves as Disclosure Counsel to the Issuer and MUB in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the Underwriters by Jackson Kelly PLLC, Underwriters' Counsel. Certain legal matters will be passed upon for the Issuer by special counsel, Steptoe & Johnson PLLC. Certain legal matters will be passed upon for MUB by its counsel, Tim Stranko PLLC. It is expected that the Series 2018 B Bonds will be available for delivery through The Depository Trust Company on or about June 28, 2018.

Dated: June __, 2018

BofA Merrill Lynch Crews & Associates, Inc.

*Preliminary, subject to change.

$43,115,000*
The City of Morgantown (West Virginia)
Combined Utility System Revenue Bonds, Series 2018 B

MATURITIES, AMOUNTS AND INTEREST RATES*

$11,745,000* Serial Bonds

Maturing (December 1)	Principal Amount*	Interest Rate (%)	Yield (%)	CUSIP** Base #	Maturing (December 1)	Principal Amount*	Interest Rate (%)	Yield (%)	CUSIP** Base #
2019	505,000				2029	190,000			
2020	345,000				2030	235,000			
2021	380,000				2031	290,000			
2022	420,000				2032	795,000			
2023	470,000				2033	1,020,000			
2024	10,000				2034	1,120,000			
2025	35,000				2035	1,225,000			
2026	70,000				2036	1,335,000			
2027	105,000				2037	1,460,000			
2028	145,000				2038	1,590,000			

$18,255,000* _____% Term Bonds due December 1, 2043 at _____% CUSIP**: ___
$13,115,000* _____% Term Bonds due December 1, 2048 at _____% CUSIP**: ___

*Preliminary, subject to change.

** CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services ("GCS") operated by S&P Capital IQ base and does not serve in any way as a substitute for the CGS. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of investors. Neither the Issuer nor the Underwriter is responsible for the selection or uses of these CUSIP members, and no representation is made as to their correctness on the Series 2018 B Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2018 B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of a secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2018 B Bonds.

[***Priced to first optional redemption date of _____ 1, 20__.]

THE CITY OF MORGANTOWN

MAYOR

Bill Kawecki, Mayor

COUNCIL

Rachel Fetty
Ryan Wallace
Jennifer Selin
Ron Dulaney, Jr.
Mark Brazaitis
Barry Lee Wendell

CITY MANAGER

Paul J. Brake

CITY CLERK

Linda L. Tucker

SPECIAL COUNSEL TO THE CITY OF MORGANTOWN

Steptoe & Johnson PLLC

MORGANTOWN UTILITY BOARD

J.T. Straface
John Ganz
Ron Bane
Tom Witt
William Rice

GENERAL MANAGER OF MORGANTOWN UTILITY BOARD

Timothy Ball, P.E.

COUNSEL TO MORGANTOWN UTILITY BOARD

Tim Stranko PLLC

BOND COUNSEL AND DISCLOSURE COUNSEL

Steptoe & Johnson PLLC

PAYING AGENT

West Virginia Municipal Bond Commission

REGISTRAR

United Bank

UNDERWRITERS

BofA Merrill Lynch
Crews & Associates, Inc.

UNDERWRITERS' COUNSEL

Jackson Kelly PLLC

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2018 B Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the Issuer, MUB or the Underwriters to give any information or to make any representations, other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from the Issuer, MUB and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and any expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, MUB or the Combined Utility System since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

The information contained in this Official Statement has been obtained from the Issuer, MUB and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by, any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, MUB or the Combined Utility System.

The Series 2018 B Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the Combined Utility System, and from the funds on deposit in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, and the unexpended proceeds of the Series 2018 B Bonds, all as herein provided. No Holder or Holders of the Series 2018 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2018 B Bonds or the interest thereon.

Bond Insurance Policy

[BAM makes no representation regarding the Series 2018 B Bonds or the advisability of investing in the Series 2018 B Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under [the heading SECURITY FOR THE SERIES 2018 B BONDS – Bond Insurance,] "APPENDIX G – BOND INSURER," ["APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY"], and "APPENDIX I – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY" herein.]

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected," "assumed" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

You should make your own decision whether this offering meets your investment objectives and risk tolerance level. No federal or state securities commission has approved, disapproved, endorsed or recommended this offering. No independent person has confirmed the accuracy or truthfulness of this disclosure, nor whether it is complete. The Issuer is relying on an exemption from registration by qualification under the West Virginia Securities Act.

The Series 2018 B Ordinance has not been qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom.

The following sentence has been provided by the Underwriters for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Series 2018 B Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency has determined or confirmed the accuracy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2018 B BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

$43,115,000*
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTRODUCTION

General

This Official Statement, including the cover page and the Appendices herein, is provided to set forth certain information concerning the issuance by The City of Morgantown, a political subdivision and municipal corporation of the State of West Virginia (the "Issuer" or "City"), of $43,115,000* in aggregate principal amount of its Combined Utility System Revenue Bonds, Series 2018 B (the "Series 2018 B Bonds"). The Series 2018 B Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and an ordinance enacted by the Council of the Issuer on January 3, 2017, supplemented by a Supplemental Parameters Resolution and Conformed Ordinance adopted by the Council of the Issuer on June 5, 2018, and a Certificate of Determinations executed by the Mayor of the Issuer on June ___, 2018 (said ordinance, as so supplemented, is collectively referred to herein as the "Series 2018 B Ordinance").

Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings ascribed thereto in the Series 2018 B Ordinance.

The City of Morgantown

The Issuer is a municipality of approximately 30,000 residents located in Monongalia County, West Virginia (the "County"). The Issuer, through the Morgantown Utility Board ("MUB") (hereinafter described), provides potable water treatment, storage and distribution service (collectively, the assets specifically including, but not limited to, real and personal property, associated with providing such service, as presently and hereafter existing, the "Water System"), sanitary sewerage collection and treatment service (collectively, the assets specifically including, but not limited to, real and personal property, associated with providing such service, as presently and hereafter existing, the "Sewer System") and stormwater management, conveyance and containment service (collectively, the assets specifically including, but not limited to, real and personal property, associated with providing such service, as presently and hereafter existing, the "Stormwater System") to the residents of the Issuer, as well as to customers located in surrounding municipalities and unincorporated areas of the County, both directly as retail customers and through bulk sales to surrounding utilities. Pursuant to the Act, the Issuer enacted an ordinance on September 1, 1987 (as supplemented, the "MUB Ordinance"), creating the Morgantown Utility Board ("MUB") for the purpose of operating, managing and maintaining the Water System and the Sewer System as a combined waterworks and sewer sewerage system under the Act. Pursuant to an ordinance enacted by the Council of the Issuer on May 21, 2002, a stormwater utility was created, the management, control and operation of which was vested in MUB. Pursuant to an ordinance enacted by the Council of the Issuer on May 1, 2007, the Stormwater System was combined with the existing combined waterworks and sewerage system to create a combined waterworks, sewerage and stormwater system, as authorized by the Act (collectively, the "Combined Utility System"), all of which is operated, managed and maintained by MUB.

Pursuant to the Act, the Issuer, through its City Council, retains the following authority with respect to MUB and the Combined Utility System:

a. Appointment of the members of the Board of Directors of MUB;

b. Authorization of changes in rates and charges for the Water System, Sewer System and Stormwater System;

c. Issuance of bonds, notes and other debt obligations secured by the Revenues of the Combined Utility System;

* Preliminary, subject to change.

d. Approval of capital projects for the Water System and Sewer System which are not "in the normal course of business;" and

e. Approval of real property condemnations for the Combined Utility System.

The Combined Utility System is an "enterprise" of the Issuer and, as such, the Gross Revenues from, and assets of, the Combined Utility System may only be used for the purposes of the Combined Utility System. Gross Revenues are defined in the Series 2018 B Ordinance as:

> 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" include any gains from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets, including Qualified Investments or any Tap Fees. See "APPENDIX E – SERIES 2018 B ORDINANCE" herein.

Morgantown Utility Board

MUB has control over, and is responsible for, all aspects of the management, operation, maintenance, expansion and improvement of the Combined Utility System with the exception of the powers specifically reserved to City Council pursuant to the Act, as set forth above. MUB operates as an independent and autonomous agency of the City, funded entirely from the Gross Revenues of the Combined Utility System.

MUB provides retail potable water service to approximately 26,200 service connections and retail sewer service to approximately 22,575 service connections. The Stormwater System serves 15,260 customers in the City and surrounding unincorporated areas. MUB provides wholesale potable water and/or wastewater conveyance and treatment to a variety of surrounding public utilities which serve, in aggregate, approximately 17,900 customers in their respective service territories. See "THE ISSUER AND THE MORGANTOWN UTILITY BOARD" herein.

Use of the Series 2018 B Bonds Proceeds

The net proceeds from the sale of the Series 2018 B Bonds will be applied as follows: (i) to pay, along with proceeds of the Series 2017 A Bonds (hereinafter defined), the costs to design, acquire, construct and equip certain additions, betterments and improvements to the Water System and Stormwater System of the Combined Utility System (collectively, the "Project," as hereinafter more fully described); (ii) to fund the Series 2018 B Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the "Series 2018 B Reserve Policy") from Build America Mutual Assurance Company ("BAM" or the "Bond Insurer"); [and] (iii) [to pay the premium for a municipal bond insurance policy (the "Series 2018 B Insurance Policy") from the Bond Insurer to secure the payment of the principal of, and interest on, the Series 2018 B Bonds; and (iv)] to pay costs of issuance of the Series 2018 B Bonds and related costs. See "INTRODUCTION – "PURPOSE AND PLAN OF FINANCING" herein.

The portion of the proceeds of the Series 2018 B Bonds to be used to finance the Costs of the Project shall be deposited in a segregated account known as the Series 2018 B Bonds Construction Account. The proceeds of the Series 2018 B Bonds will be invested in Permitted Investments pursuant to the Series 2018 B Ordinance.

Security and Sources of Payment for the Series 2018 B Bonds

The Series 2018 B Bonds are payable solely from and secured by the Gross Revenues derived from the Combined Utility System of the Issuer, on a parity with the Prior Bonds (hereinafter defined), and any Additional Parity Bonds (hereinafter defined) that may hereafter be issued by the Issuer as permitted by the Series 2018 B Ordinance (the Series 2018 B Bonds, the Prior Bonds and any such Additional Parity Bonds, are collectively referred to herein as the "Bonds"), from the unexpended proceeds of the Series 2018 B Bonds, and from funds on deposit in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Reserve Policy pledged to, and any funds on deposit in, the Series 2018 B Bonds Reserve Account, established for the Series 2018 B Bonds under the Series 2018 B Ordinance. [Additionally, the payment of the principal of and interest on the Series 2018 B Bonds when due will be guaranteed under a municipal bond insurance policy to be issued by BAM. See "APPENDIX G – BOND INSURER" and "APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" herein.]

The Series 2018 B Bonds are limited special obligations of the Issuer. The Series 2018 B Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation on indebtedness, and the Issuer shall not be obligated to pay the principal of the Series 2018 B Bonds, or the interest or premium, if any, thereon, except from the Gross Revenues and funds on deposit in the Series 2018 B Bonds Sinking Fund, the Series 2018 B Bonds Reserve Account established therefor, and the unexpended proceeds of the Series 2018 B Bonds. Pursuant to the Series 2018 B Ordinance, the Issuer has covenanted and agreed that the schedule or schedules of rates and charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 115% of the Maximum Annual Debt Service on the Bonds then outstanding in any Fiscal Year. See "SECURITY FOR THE SERIES 2018 B BONDS – Rate Covenant" herein.

The Series 2018 B Bonds will be dated, will mature, will bear interest and will be subject to redemption prior to maturity as more fully described under the heading "THE SERIES 2018 B BONDS" herein. The Series 2018 B Bonds will initially be maintained under a book-entry system. So long as the Series 2018 B Bonds are maintained under a book-entry system, the manner of payment, the denominations, the transfer and exchange of ownership and the method of providing notice of redemption to the owners of the Series 2018 B Bonds shall be determined as described in "APPENDIX C – BOOK-ENTRY ONLY SYSTEM" herein. If the book-entry system is discontinued for any reason, principal of, and interest and premium, if any, on the Series 2018 B Bonds will be payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent") to the owners thereof at the address appearing in the books kept by United Bank, Charleston, West Virginia as registrar (the "Registrar"). For further information describing the method of payment and other matters in the event the book-entry system is discontinued, see "THE SERIES 2018 B BONDS" herein and "APPENDIX E – SERIES 2018 B ORDINANCE" herein.

There are outstanding obligations of the Issuer which will rank on parity with the Series 2018 B Bonds as to lien, pledge, source of and security for payment. See "SECURITY FOR THE SERIES 2018 B BONDS" herein. The Issuer may issue additional bonds on parity with the Series 2018 B Bonds and the Prior Bonds ("Additional Parity Bonds") for the purpose of financing the costs of design, acquisition, construction and/or equipping of additions, betterments or improvements to the Combined Utility System, to refund all or a portion of one or more series of Bonds or any hereinafter issued Additional Parity Bonds, to pay claims which may exist against the revenues or facilities of the Combined Utility System or all of such purposes, subject in each case to certain tests and conditions provided for in the Series 2018 B Ordinance and the Prior Ordinances. See "SECURITY FOR THE SERIES 2018 B BONDS – Additional Parity Bonds" herein.

Brief descriptions of the Series 2018 B Bonds, the Project, the Combined Utility System, the Series 2018 B Ordinance, certain provisions of the Act and the Undertaking (hereinafter defined) are set forth in this Official Statement, as well as other information in the Appendices herein. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Series 2018 B Ordinance, the Undertaking, the Act and other documents, statutes, reports or instruments are qualified in their entirety by reference to such documents, statutes, reports or instruments. References herein to the Series 2018 B Bonds are qualified in their entirety by reference to the form thereof included in the Series 2018 B Ordinance and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement have the meanings given to them in the Series 2018 B Ordinance. See "APPENDIX E – SERIES 2018 B ORDINANCE" herein.

PURPOSE AND PLAN OF FINANCING

The Project

The Series 2018 B Bonds are being issued to: (i) provide funds, along with a portion of the proceeds of the Series 2017 A Bonds (as hereinafter defined), to pay the costs of design, acquisition, construction and equipping of certain additions, betterments and improvements for the Stormwater System of the Combined Utility System, and provide funds to pay the costs of design, acquisition, construction and equipping of certain additions, betterments and improvements to the Water System, specifically including, but not limited to, the design, acquisition, construction and equipping of a new raw water reservoir and all or a portion of a raw water transmission line from the new reservoir to the water treatment plant, and either, both or none of the following depending upon the availability of funds: (A) the acquisition and installation of emergency generators and attendant maintenance building to serve certain facilities in the Water System; and/or (B) the design, acquisition, construction and equipping of extensions, betterments and improvements of certain water treatment plant assets, distribution lines,

pump stations and storage tanks, and all necessary appurtenances, as determined by the Board, specifically including, but not limited to, automated meter reading equipment (collectively, the "Project"); (ii) pay the premium for the Series 2018 B Reserve Policy from the Bond Insurer to fund the Series 2018 B Bonds Reserve Account; [and] (iii) [pay the premium for the Series 2018 B Insurance Policy from the Bond Insurer to secure the payment of the principal of, and interest on, the Series 2018 B Bonds; and (iv)] pay the costs of issuance of the Series 2018 B Bonds and related costs.

The Project includes design, acquisition, construction and equipping of addition, betterments and improvements to the both the Water System and the Stormwater System. Proceeds of the Series 2018 B Bonds in the approximate amount of $48,537,586 will be deposited in the Series 2018 B Bonds Construction Fund. The total construction cost of the Water System portion of the Project is $47,837,586, which will be paid from the proceeds of the Series 2018 B Bonds. The total construction cost of the Stormwater System portion of the Project is $1,600,922, of which $700,000 will be paid from the proceeds of the Series 2018 B Bonds. The remaining Costs of the Project associated with the additions, betterments and improvements for the Stormwater System not financed with proceeds of the Series 2018 B Bonds will be financed from the proceeds of the Series 2017 A Bonds, as hereinafter described.

The Project – Water System Portion

The new raw water reservoir ("Cobun Creek Reservoir #2") will include construction of an engineered earthen dam which will contain an approximately 370 million gallons of raw water supply on Cobun Creek immediately upstream of the existing Cobun Creek Reservoir #1. Upon completion, Cobun Creek Reservoir #2 will provide a third source of raw water for the Water System, providing an additional 33.6 days of supply at current usage rates. A 30 inch raw water pipeline approximately 19,500 feet in length will also be constructed from Cobun Creek Reservoir #2 to the existing water treatment plant (the "Raw Water Line"). MUB will also undertake the following environmental remediation projects in connection with the permitting of Cobun Creek Reservoir #2: removal of dam and reservoir at Appalachian Lake and restoration of Fike's Run Stream, both located in Preston County, West Virginia. If construction monies allocable to the Water System remain following the completion of the Cobun Creek Reservoir #2 and the Raw Water Line, MUB may, in its discretion, use all or a portion of such funds to install emergency diesel powered generators, and related maintenance building, for standby power at the water treatment plant or acquire, construct and equip other additions, betterments and improvements for the Water system, such as automated water meter reading equipment. MUB anticipates that the acquisition, construction and equipping of the Water System portion of the Project will be completed in approximately 27 months.

The goals of the Water System portion of the Project include the following:

- Improve the reliability of the water system to withstand potential disruption of the raw water supply and/or the electrical service necessary to power the treatment / pumping processes.
- Raw water security in compliance with the standards of Homeland Security
- Water quantity and quality protection
- Fast and consistent flow of raw water from Cobun Creek Reservoir #2 through Raw Water Line, protecting life and property and alleviating erosion from stream transmission

With one exception, all required permits for the Water System portion of the Project have been obtained, specifically including, but not limited to, the permit from the United States Army Corps. of Engineers for construction of the earthern dam. MUB has, however, applied for, and is waiting on, a permit from the United States Federal Bureau of Prisons (the "FBOP") for the construction of a portion of the Raw Water Line which is planned to occur on property owned by the United States of America and operated by the FBOP (the "FBOP Property"). MUB anticipates receiving such permit within a time period that will allow the entirety of the Raw Water Line to go to construction. In the event the FBOP permit is not received, the portion of the Raw Water Line located on the FBOP Property will not be constructed and the stream which already exists on the FBOP Property will be used to transport the raw water. In such event, the construction cost of the portion of the Raw Water Line on the FBOP Property, approximately $2,300,000.00, will be used to finance other improvements in the Water System.

The Project – Stormwater System Portion

MUB is in the process of design, acquisition, construction and equipping of certain additions, betterments and improvements to the Stormwater System, specifically including, but not limited to, stormwater piping, catchment structures, curbs and/or gutters, and all necessary appurtences on Forrest Avenue, Valley View Avenue, Third Street and at Acorn Village/Tanglewood, all within the MUB Stormwater System. In December, 2017, the Issuer issued its Combined Utility System Revenue Bonds, Series 2017 A (Bank Qualified), in the aggregate principal amount of $2,695,000 for the purposes of refinancing the Issuer's Combined Utility System Revenue Bonds, Series 2012 C and to pay a portion the cost of the above-referenced additions, betterments and improvements for the Stormwater System in the amount of $900,922. The remaining construction cost of the aforementioned additions, betterments and improvements, which constitute the Stormwater Portion of the Project, will be financed from proceeds of the Series 2018 B Bonds in the amount of $700,000 which will be deposited in the Series 2018 B Bonds Construction Fund. MUB anticipates that the acquisition, construction and equipping of the Stormwater System portion of the Project will be completed in approximately 24 months.

MUB has received bids for all components of the Project, all of which are either under, or equal to, design estimates. MUB anticipates signing construction contracts within two (2) weeks of the closing on the Series 2018 B Bonds, provided, however, the construction contract for the raw water line across the FBOP Property will be amended to provide that construction on the FBOP Property shall commence only upon receipt of the required permit from the FBOP.

SOURCES AND USES OF FUNDS*

The following table sets forth a summary of the estimated sources and uses of funds relating to the issuance of the Series 2018 B Bonds and the funding of the Project.

Sources:	**Series 2018 B***
Series 2018 B Bond Proceeds:	
Par Amount	$
[Net Original Issue Premium/Discount]	$
Total Sources	**$**
Series 2018 B Bond Proceeds:	
Series 2018 B Bonds Construction Fund	$
Gross Surety Bond Premium	$
Gross Bond Insurance Premium	$
Costs of Issuance (1)	$
Total Uses	**$**

(1) Includes Underwriters' discount, Bond Counsel fees, Disclosure Counsel fees, Registrar fees, Disclosure Agent fees and other costs associated with the issuance of the Series 2018 B Bonds.

Please see "DEBT SERVICE REQUIREMENTS" herein for a discussion of the structure of, and debt service payable on, the Series 2018 B Bonds.

***** Preliminary, subject to change

THE SERIES 2018 B BONDS

General

The Series 2018 B Bonds are dated the date of delivery. All Series 2018 B Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2018 B Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2018 B Bonds shall be in default, Series 2018 B Bonds issued in exchange for Series 2018 B Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2018 B Bonds so surrendered. The Series 2018 B Bonds will bear interest from their date, payable semiannually on each June 1 and December 1 in each year (each an "Interest Payment Date"), commencing December 1, 2018, until maturity or until the date fixed for redemption if a Series 2018 B Bond is called for prior redemption and payment on such date as provided for.

Redemption Provisions for Series 2018 B Bonds

Optional Redemption

The Series 2018 B Bonds are subject to redemption at par (or at a redemption price of 100%), at the option of the Issuer on or after _____ 1, 20__, in whole or in part, at any time by lot, at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

Mandatory Redemption*

The Term Bonds due _____ 1, 20__ are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on _____ 1 of the following years in the following amounts:

Year	Principal Amount*
20__	$_____
20__	$_____
20__	$_____
20__	$_____
20__**	$_____

** Final Maturity

The Term Bonds due _____ 1, 20__ are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on _____ 1 of the following years in the following amounts:

Year	Principal Amount*
20__	$_____
20__	$_____
20__	$_____
20__	$_____
20__**	$_____

** Final Maturity

* Preliminary, subject to change.

Notice of Redemption

Unless waived by any holder of the Series 2018 B Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail, or by other such means as is normal and customary at the time of such redemption, or acceptable to DTC, at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar.

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

(1) The redemption date,

(2) The redemption price,

(3) If less than all outstanding Series 2018 B Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2018 B Bonds to be redeemed,

(4) That on the redemption date the Redemption Price and interest accrued will become due and payable upon each such Series 2018 B Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Series 2018 B Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar, and

(6) Such other information, if any, as shall be required for DTC-Eligible Bonds. If funds sufficient to redeem all Series 2018 B Bonds called for Optional Redemption have not been deposited with the Paying Agent at the time of any notice of Optional Redemption, such notice shall also state that such Optional Redemption is subject to the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2018 B Bonds called for redemption of such fact.

Book Entry Only System

The Series 2018 B Bonds will be issued as fully registered Series 2018 B Bonds without coupons, in denominations of $5,000 or any integral multiples thereof for any year of maturity. Interest on the Series 2018 B Bonds shall be payable by check or draft made payable and mailed by the Paying Agent, to the Registered Owner thereof as of the applicable Record Date (each May 15 and November 15) or, at the option of any Registered Owner of $1,000,000 or more of the Series 2018 B Bonds, by electronic or wire transfer to a domestic bank account specified in writing at least 5 days prior to the Record Date by such Registered Owner. Principal of, and interest and premium, if any, on, the Series 2018 B Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender thereof at the principal corporate trust office of the Paying Agent.

Ownership of any Series 2018 B Bond may be transferred only by transfer of registration presented to the Registrar by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney or legal representative. Upon any such transfer of a Series 2018 B Bond, there will be issued another Series 2018 B Bond or Series 2018 B Bonds, at the option of the Holder or transferee, of the aggregate principal amount equal to the unpaid amount of the transferred Series 2018 B Bond and of the same series, interest rate and maturity of said transferred Series 2018 B Bond. For every exchange or transfer of Series 2018 B Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. Any applicable tax, governmental charge or charge to reimburse the Registrar for any tax or governmental charge shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making

such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2018 B Bonds that have been called for redemption.

Purchasers of the Series 2018 B Bonds will not receive certificates representing their interests in the Series 2018 B Bonds purchased. The Series 2018 B Bonds are available in book-entry form only and will be registered in the name of "Cede & Co." See "APPENDIX C – BOOK-ENTRY ONLY SYSTEM" herein. So long as Cede & Co. is the registered owner of the Series 2018 B Bonds as nominee of The Depository Trust Company, New York, New York ("DTC"), references herein to the Bondholders or registered owners of the Series 2018 B Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2018 B Bonds.

Neither the Issuer nor MUB can or does give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series 2018 B Bonds (1) payments of principal of or interest and premium, if any, on the Series 2018 B Bonds, (2) confirmation of beneficial ownership interest in the Series 2018 B Bonds, or (3) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2018 B Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "rules" applicable to DTC are on file with the Securities and Exchange Commission, and the current "procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

None of the Issuer, MUB or the Paying Agent shall have any responsibility or obligation to any Direct Participant, Indirect Participant, Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Participant, (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of or interest on the Series 2018 B Bonds, (3) the delivery by DTC or any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Series 2018 B Ordinance to be given to Bondholders, or (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2018 B Bonds.

SECURITY FOR THE SERIES 2018 B BONDS

The Series 2018 B Bonds are special obligations of the Issuer and are payable as to principal, premium, if any, and interest solely from the sources described below. Neither the Issuer nor MUB is under any obligation to pay the Series 2018 B Bonds except from said sources.

Sources of Payment

The payment of the debt service on the Series 2018 B Bonds shall be secured forthwith equally and ratably by a first lien on and pledge of the Gross Revenues derived from the Combined Utility System, on a parity with the Prior Bonds, and any Additional Parity Bonds that may hereafter be issued by the Issuer as permitted by the Series 2018 B Ordinance, and the unexpended proceeds of the Series 2018 B Bonds. The Series 2018 B Bonds are also payable from the funds on deposit in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Reserve Policy pledged to, and any funds on deposit in, the Series 2018 B Bonds Reserve Account therein. See "APPENDIX E – SERIES 2018 B ORDINANCE" herein. Gross Revenues derived from the Combined Utility System in an amount sufficient to pay the principal of, and premium, if any, and interest on, the Series 2018 B Bonds and to make the payments into the Series 2018 B Bonds Sinking Fund and to pay all other payments provided for in the Series 2018 B Ordinance, and the funds on deposit in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Reserve Policy pledged to, and any funds on deposit in, the Series 2018 B Bonds Reserve Account therein, are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the Series 2018 B Bonds as the same become due and for other purposes provided in the Series 2018 B Ordinance.

[Bond Insurance. The payment of the principal of and interest on the Series 2018 B Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2018 B Bonds by Build America Mutual Assurance Company. Information with respect to the Bond Insurer and the Series 2018 B Insurance Policy is set forth in "APPENDIX G – BOND INSURER," and "APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" herein.]

Rate Covenant

Prior to the issuance of the Series 2018 B Bonds, rates and charges for service from the Water System were approved by ordinance enacted by the City Council on February 2, 2016, and went into effect on July 1, 2016, and

the rates and charges for service from the Sewer System were approved by ordinance enacted by the City Council on February 2, 2016, and went into effect on July 1, 2016, and the rates and charges for service from the Stormwater System were approved by ordinance enacted by the City Council on July 15, 2014, and went into effect on July 15, 2014, all in the manner and form required by law. In addition, the City Council enacted an ordinance for customers of the Rockley Road Water Project on January 23, 2018, which is being amended through an ordinance scheduled for enactment on June 19, 2018, to reflect the increased surcharge due to increased construction cost. See "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES" herein. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the Combined Utility System sufficient to make the prescribed payments into the funds and accounts created under, or controlled by, the Series 2018 B Ordinance, the Prior Ordinances and the ordinances authorizing any hereinafter issued Additional Parity Bonds and to pay all Operating Expenses of the Combined Utility System. The Issuer has covenanted that such schedule or schedules of rates and charges shall be revised from time to time, 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 covenants and agrees in the Series 2018 B Ordinance that the schedule or schedules of rates and charges for the Combined Utility System from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 115% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year. See "APPENDIX E – SERIES 2018 B ORDINANCE" herein.

Series 2018 B Bonds Reserve Account

The Series 2018 B Bonds Reserve Requirement is $_____, which is equal to the least of (i) 10% of the original stated principal amount of the Series 2018 B Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2018 B Bonds in any Fiscal Year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2018 B Bonds. The Issuer will obtain a Municipal Bond Debt Service Reserve Insurance Policy from the Bond Insurer in the amount equal to the Series 2018 B Bonds Reserve Requirement which shall be pledged to the Series 2018 B Bonds Reserve Account (the "Series 2018 B Reserve Policy"). In the event funds in the Series 2018 B Bonds Sinking Fund are insufficient to pay the principal of and/or interest on the Series 2018 B Bonds, the Paying Agent shall submit a Notice of Nonpayment to the Bond Insurer, which will, pursuant to the Series 2018 B Reserve Policy, pay the Paying Agent sufficient amounts to make payments of principal of and/or interest on the Series 2018 B Bonds as the same becomes due, subject to the Series 2018 B Reserve Policy. If the Series 2018 B Reserve Policy is not in effect, the Paying Agent shall withdraw cash from the Series 2018 B Bonds Reserve Account for transfer to the Series 2018 B Bonds Sinking Fund.

Information with respect to the Bond Insurer and the Series 2018 B Reserve Policy is set forth in "APPENDIX G – BOND INSURER" and "APPENDIX I – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY" herein. Under the Series 2018 B Reserve Policy, the Issuer is required to repay any draws upon the Series 2018 B Reserve Policy and any administrative expenses incurred by Bond Insurer, together with interest on the draws and the administrative expenses (collectively, the "Policy Costs"). Repayment of the Policy Costs must commence in the first month following each draw on the Series 2018 B Reserve Policy, and each monthly payment must be in an amount at least equal to 1/12th of the aggregated Policy Costs related to such draw.

The amount available under the Series 2018 B Reserve Policy will be reduced by, and to the extent of, any payment made pursuant to the Series 2018 B Reserve Policy. Amounts equal to Policy Costs paid to BAM, will be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Series 2018 B Reserve Policy will be increased by a like amount, subject to the terms of the Series 2018 B Reserve Policy. All cash and investments, if any, in the Series 2018 B Bonds Reserve Account shall be transferred to the Series 2018 B Bonds Sinking Fund for payment of the debt service on the Series 2018 B Bonds before any draw may be made on the Series 2018 B Reserve Policy. The Issuer does not expect there to be any cash or investments in the Series 2018 B Bonds Reserve Account.

If the Series 2018 B Reserve Policy is not in effect, in the event of a transfer from the Series 2018 B Bonds Reserve Account to the Series 2018 B Bonds Sinking Fund as aforesaid, the Issuer shall restore the balance to the Series 2018 B Bonds Reserve Account in an amount up to the Series 2018 B Bonds Reserve Requirement. The transfer of any cash by the Issuer from the Series 2018 B Bonds Reserve Account to the Series 2018 B Bonds Sinking Fund shall be replenished over twelve (12) equal monthly payments.

The Issuer's obligation to repay the Policy Costs or to otherwise replenish the Series 2018 B Bonds Reserve Account will be secured only by the Gross Revenues, as defined in the Ordinance, derived from the Combined Utility System and the funds on deposit in the Renewal and Replacement Fund.

The Issuer shall be required to replace the Series 2018 B Reserve Policy, or fund the Series 2018 B Bonds Reserve Account with cash, only in the event that the Bond Insurer, or its successor or assign, ceases to be licensed by at least one state of the United States of America to provide such Series 2018 B Reserve Policy or similar insurance product. In such event, the Issuer shall have twelve (12) months after becoming aware of such event to either provide a new municipal bond debt service reserve insurance policy for, or deposit sufficient cash in, the Series 2018 B Bonds Reserve Account to satisfy the Series 2018 B Bonds Reserve Requirement therefore.

Working Capital Reserve

Pursuant to Chapter 24, Article 1, Section (k) of the Code of West Virginia, 1931, as amended (the "State Code"), effective June 12, 2015, the Combined Utility System is required to "maintain a working capital reserve in an amount of no less than one eighth of actual annual operation and maintenance expense" (the "Working Capital Reserve"). The budget adopted by MUB for the July 1, 2018 to June 30, 2019 Fiscal Year includes the Working Capital Reserve. In the event that any audited or unaudited year-end financial statement of the Combined Utility System shall find that the Working Capital Reserve for such Fiscal Year was insufficient, such finding shall not be an event of default with respect to the Series 2018 B Bonds.

Application of Gross Revenues

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

(1) The Issuer shall first each month, transfer from the Revenue Fund and, simultaneously, remit to the Paying Agent: (i) for deposit in the Sinking Funds of the Prior Bonds, the amounts required by the Prior Ordinances to pay the interest on the Prior Bonds; and (ii) commencing seven (7) months prior to the first interest payment date of the Series 2018 B Bonds, for deposit in the Series 2018 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2018 B Bonds on the next ensuing semiannual interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 2018 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than seven (7) months, then such monthly payments shall be decreased or increased proportionately to provide, one (1) month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided, further, that there shall be credited against the amount deposited any interest capitalized from the proceeds of the Series 2018 B Bonds and applied to such payment. All payments of interest on the Prior Bonds and the Series 2018 B Bonds shall be pro rata.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, remit to the Paying Agent: (i) for deposit in the Sinking Funds of the Prior Bonds, the amounts required by the Prior Ordinances to pay the principal of the Prior Bonds; and (ii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2018 B Bonds, for deposit in the Series 2018 B Bonds Sinking Fund and in the Series 2018 B Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2018 B Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 2018 B Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, one (1) month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

Monies in the Series 2018 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2018 B Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2018 B Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to

maintain the Series 2018 B Bonds Reserve Account Requirement. Pending such use, such monies shall be invested in accordance with the Series 2018 B Ordinance.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, remit to the Paying Agent: (i) for deposit in the Reserve Accounts of the Prior Bonds, the amount required by the Prior Ordinances; and (ii) in the event that the Series 2018 B Reserve Policy is no longer in effect, for deposit in the Series 2018 B Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2018 B Bonds Reserve Account below the Series 2018 B Reserve Account Requirement or any withdrawal from the Series 2018 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2018 B Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2018 B Bonds Reserve Account is less than the Series 2018 B Bonds Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2018 B Bonds Reserve Account for deposit into the Series 2018 B Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2018 B Bonds Reserve Account to an amount equal to the Series 2018 B Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided, however, that if the shortfall in the Series 2018 B Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than four (4) equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2018 B Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2018 B Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2018 B Bonds Reserve Requirement.

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

(5) The Issuer shall next, from the monies remaining in the Revenue Fund, on the first day of each month, transfer to the Renewal and Replacement Fund a sum equal to not less than 2.5% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. Subject to the restrictions contained in the Prior Ordinances so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, or improvements and extensions to the Combined Utility System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required thereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Enforcement of Collections

The Issuer covenants in the Series 2018 B Ordinance to diligently enforce and collect all fees, rentals or other charges for the services and facilities of the Combined Utility System and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals and other charges that 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. Such fees, rentals and charges, if not paid when due, shall, to the extent allowed by the Act, become a lien on the premises served by the Combined Utility 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 and facilities of the Combined Utility System and will not restore such services of the Combined Utility System until all billing for charges for the services and facilities of the Combined Utility System, including penalties and reconnect fees, have been fully paid, or the customer has entered into a payment agreement. For additional information on MUB's collection policy and history, see "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – MUB Retail Customer Collection Process" and "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – MUB Retail Customer Uncollectible Accounts" herein.

Additional Parity Bonds

So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Additional Parity Bonds, as herein defined, payable out of

the Gross Revenues of the Combined Utility System shall be issued after the issuance of the Series 2018 B Bonds pursuant to the Series 2018 B Ordinance, except under the conditions and in the manner set forth herein.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition, construction or equipping of additions, betterments or improvements for the Combined Utility System, refunding all or a portion of one or more series of the Series 2018 B Bonds issued pursuant hereto, the Prior Bonds, and/or any series of Additional Parity Bonds hereinafter issued, paying claims which may exist against the revenues or facilities of the Combined Utility System, or all of such purposes.

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

(1) The Series 2018 B Bonds then Outstanding;

(2) The Prior Bonds then Outstanding;

(3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances and the Series 2018 B Ordinance then Outstanding; and

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

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

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

The term "Additional Parity Bonds," as used herein, shall be deemed to mean additional bonds issued under the provisions and within the limitations of the Series 2018 B Ordinance, payable from the Gross Revenues of the Combined Utility System on a parity with the Series 2018 B Bonds and the Prior Bonds, and all the covenants and other provisions of the Series 2018 B Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2018 B Bonds and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with the Series 2018 B Ordinance. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross Revenues, without preference of any series of Bonds over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in the ordinance authorizing such Additional Parity Bonds required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Series 2018 B Ordinance and the Prior Ordinances.

The term "Additional Parity Bond" shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the System of which is subject to the prior and superior lien of the Series 2018 B Bonds on such Gross Revenues. The Issuer shall not issue any obligations whatsoever payable from the Gross Revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Gross Revenues with the Series 2018 B Bonds except in the manner and under the conditions provided in the Series 2018 B Ordinance.

No Additional Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Series 2018 B Ordinance and the Prior Ordinances on account of the Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in the Series 2018 B Ordinance and the Prior Ordinances, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in the Series 2018 B Ordinance and the Prior Ordinances and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance. See "APPENDIX E – SERIES 2018 B ORDINANCE" herein.

Provided, however, that if the audit by an Independent Certified Public Accountant for the Combined Utility System for the Fiscal Year immediately preceding the date of the proposed issuance of Additional Parity Bonds states that the Issuer was not in compliance with the rate covenant in the Series 2018 B Ordinance for the year being audited and the Issuer has, as required by the Series 2018 B Ordinance, enacted a rate ordinance changing the rates and charges for the Combined Utility System to comply with the Series 2018 B Ordinance, such statement in the most recent audit shall not be considered a violation of the covenants, agreements and terms of the Series 2018 B Ordinance, so as to prevent the Issuer from issuing Additional Parity Bonds under the Series 2018 B Ordinance.

The Issuer anticipates that it will from time to time issue Additional Parity Bonds to finance the costs of additions, betterments and improvements to the Combined Utility System and to refinance the Bonds and any hereinafter issued Additional Parity Bonds. See "OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM – Future Bond Issues" herein.

Special Limited Obligations

The Series 2018 B Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation on indebtedness. No registered owner of any Series 2018 B Bond shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2018 B Bonds or the interest or any premium thereon, or to make any claim against and of the funds or revenues of Issuer, either existing as of the date of issuance of the Series 2018 B Bonds or in the future. MUB has no taxing power.

[BOND INSURER AND] RESERVE POLICY

The Issuer has applied to, and executed commitments from, the Bond Insurer for the issuance, concurrently with the issuance of the Series 2018 B Bonds, of [the Series 2018 B Insurance Policy and] the Series 2018 B Reserve Policy. Information regarding the Bond Insurer, [the Series 2018 B Insurance Policy] and the Series 2018 B Reserve Policy, specifically including "APPENDIX G – BOND INSURER," ["APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY,"] and "APPENDIX I – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY," has been furnished by the Bond Insurer for inclusion in this Official Statement. No representation is made by the Issuer nor the Underwriter as to the accuracy, completeness or adequacy of such information or as to the absence of material adverse changes in the condition of the Bond Insurer. Reference is made to ["APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" and] "APPENDIX I – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY" for specimen[s] of [the Series 2018 B Insurance Policy and] the Series 2018 B Reserve Policy, which should be read in its [their] entirety.

[Series 2018 B Insurance Policy

Concurrently with the issuance of the Series 2018 B Bonds, the Bond Insurer will issue the Series 2018 B Insurance Policy for the benefit of the holders of the Series 2018 B Bonds. The Series 2018 B Insurance Policy guarantees the scheduled payment of principal of and interest on the Series 2018 B Bonds when due as set forth in the form of the Series 2018 B Insurance Policy included as an appendix in this Official Statement.

The Series 2018 B Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.]

Series 2018 B Reserve Policy

Concurrently with the issuance of the Series 2018 B Bonds, the Bond Insurer will issue the Series 2018 B Reserve Policy for the Series 2018 B Bonds. The Series 2018 B Reserve Policy is issued in an amount equal to the Series 2018 B Bonds Reserve Requirement and is pledged to the Series 2018 B Bonds Reserve Account.

THE ISSUER AND THE MORGANTOWN UTILITY BOARD

The City of Morgantown is the county seat of Monongalia County, located along the Monongahela River and close to the Pennsylvania border in north central West Virginia. Morgantown is the home of West Virginia University, the largest institution of higher education in the State with an annual enrollment of approximately 29,000 students. The City is the medical, cultural, and commercial hub of the region. The population of Morgantown is estimated to be 30,000.

Morgantown and Monongalia County offer "Mountains of Opportunity" for business development and expansion. This is one of the major growth areas in the State. Monongalia County was the only county in north central West Virginia to realize population growth for the last 20 years, and it has been one of the fastest growing counties in the State over the last two decades.

Morgantown and Monongalia County have consistently experienced some of the lowest unemployment rates in the State. Major employers in the area include the National Institute of Occupational Safety and Health (NIOSH), Mylan Pharmaceuticals, and West Virginia University.

One-half of the population of the United States and one-third of the population of Canada is within a 500-mile radius of Morgantown. The City is one day's drive from 6 of the 8 largest U.S. metropolitan areas, 20 metro areas with populations of 1 million or more, and 22 of the nation's top 35 industrial markets. See "APPENDIX A – THE CITY OF MORGANTOWN (WEST VIRGINIA) ECONOMIC AND DEMOGRAPHIC DATA" herein.

Audited Financial Statements

The Series 2018 B Bonds are payable only from the Gross Revenues of the Combined Utility System, which are pledged to their payment, and the unexpended proceeds of the Series 2018 B Bonds. No other funds of the Issuer are available for payment of, or expected to be used to pay, the principal of, or interest on, the Series 2018 B Bonds. Likewise, the Gross Revenues of the Combined Utility System are not used for other purposes of the Issuer. Accordingly, detailed information regarding the Issuer has not been included in this Official Statement. The audited financial statements of MUB for the Fiscal Year ended June 30, 2017 are included in Appendix B herein. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE MORGANTOWN UTILITY BOARD FOR FISCAL YEAR ENDED JUNE 30, 2017" herein.

Morgantown Utility Board

MUB is a municipally owned and operated utility providing potable water, sanitary sewer, and stormwater services directly to the residents of the Issuer and to customers in certain surrounding municipalities and unincorporated areas of Monongalia County, as well as bulk water sales and sanitary sewer transmission and treatment to certain potable water and wastewater utilities owned and operated by nearby municipalities and public service districts. MUB was created by ordinance enacted on September 1, 1987 by the Council of the Issuer merging the former Morgantown Water Commission and the Morgantown Sanitary Board to create the combined waterworks and sewerage system. On May 21, 2002, the Council of the Issuer enacted an ordinance creating a stormwater utility and expanding the authority of MUB to include stormwater management and control. On May 1, 2007, the Council enacted an ordinance combining the existing combined waterworks and sewerage system and the stormwater system to create the combined waterworks, sewerage and stormwater utility which presently exists.

MUB has provided bulk water sales and sanitary sewer transmission and treatment under longstanding mutually beneficial arrangements with surrounding public utilities (collectively, the "Resale Customers"). MUB benefits from strong working relationships with the Resale Customers, often providing other contract services such as repairs and customer billing. While MUB does not have long term contracts with the Resale Customers, the practical constraints created by regulatory requirements, state utility regulation and the economies of scale which MUB enjoys would make any other arrangement for these bulk customers difficult to realize.

The Combined Utility System includes retail potable water service to approximately 26,200 connections and retail sewer service to approximately 22,575 service connections. MUB provides wholesale potable water and/or wastewater conveyance and treatment to a variety of surrounding public utilities which serve, in aggregate, approximately 17,900 customers in their respective service territories. The Stormwater System serves approximately 15,260 customers in the City and surrounding unincorporated areas.

MUB's assets are valued at over $307,000,000. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE MORGANTOWN UTILITY BOARD FOR FISCAL YEAR ENDED JUNE 30, 2017" herein. These assets include the main wastewater treatment plant in Star City, a wastewater treatment plant at Cheat Lake, and the water treatment plant in Morgantown. In addition, the Combined Utility System includes approximately 414 miles of water distribution lines, 299 miles of sewerage collection and transmission lines, and approximately 225 miles of stormwater management, conveyance and control facilities. MUB operates with approximately 150 employees.

MUB Board of Directors

Pursuant to the Act and the MUB Ordinance, MUB is overseen and directed by a Board of Directors appointed by the City Council (the "Board"). The Board is comprised of five residential customers of MUB appointed for staggered terms of five years. In addition to being customers of the Combined Utility System, up to two MUB members may be residents of Monongalia County residing outside of the Issuer's corporate boundaries. The remaining three members must be residents of the Issuer. The Board is responsible for the management, control and operation of the Combined Utility System. The Board elects a chairman and other officers from its members annually. The names, offices and summary biographical information of the current members of the Board are set forth below:

JT Straface was born and raised in Morgantown, has been a member of the Board since 2003, and currently serves as Board chairman. Mr. Straface is a graduate of Morgantown's former St. Francis High School and West Virginia University School of Mines where he received a BS degree in mining engineering. Mr. Straface owns and operates a number of successful small businesses in the Morgantown area. Mr. Straface's term expires on November 11, 2022.

Ron Bane is a lifelong resident of Morgantown, has been a member of the Board since 2005, and currently serves as vice-chairman. Dr. Bane holds a BA in political science, a MS in safety studies, a MBA, and a Ph.D. in safety engineering and is employed at West Virginia University. In addition, Dr. Bane previously served on the City Council of the Issuer for 12 consecutive years. Dr. Bane's term expires on November 11, 2019.

Tom Witt lives outside the municipal limits of Morgantown and previously served as the secretary-treasurer of the Cheat Lake Public Service District before its merger into MUB. Dr. Witt holds a BA from Oklahoma State University, and a MA and Ph.D. from Washington University in St. Louis, all in economics. Dr. Witt is an emeritus professor of Economics following a distinguished career with the West Virginia University College of Business and Economics. During his tenure with West Virginia University, he also served as director of the Bureau of Business and Economic Research and associate dean for research and outreach within the College. Dr. Witt is widely published and has testified before the U.S. Senate Committee on Energy and Natural Resources and the National Academy Committee on Identifying the Needs of the Forensic Science Community. Currently, Dr. Witt provides economic consulting services through Witt Economics, LLC. Dr. Witt was appointed to fill the unexpired term of Dr. Frank Scafella, which term expires on November 11, 2021.

John Ganz has been a Morgantown resident since 1989 and is recently retired from the U.S. Department of Energy where he worked as a regulatory compliance officer. Mr. Ganz has served on the Board since 2011; however, his association with MUB spans many years beyond that. Mr. Ganz has been involved in extensive institutional research facilities operations and regulatory compliance interface with MUB while working for the U.S. Dept. of Energy's National Energy Technology Lab (NETL) in Morgantown. Within this work at NETL, Mr. Ganz interfaced with MUB personnel and public utility facilities and services at NETL in the areas of general site operations, research facilities activities, hazardous waste treatment, and environmental protection. Mr. Ganz has more than 38 years professional career experience in the areas of regulatory compliance, project planning, facilities operations, and environmental protection. Mr. Ganz attended Potomac State College, Keyser, WV and received a BS in Agriculture from Arizona State University, Tempe, AZ. Mr. Ganz's term expires on November 11, 2020.

William Rice is a retired engineer, and has brought a host of directly relevant experience and skills to MUB since joining the Board in 2013. This includes service on the County Commission's Water and Wastewater Committee as well as the Sewage Advisory Board for the West Virginia Department of Health. Mr. Rice currently serves on the

West Run Board of Zoning Appeals for the County Commission and as chairman of the Citizen's Advisory Committee for the Greater Morgantown Metropolitan Planning Organization (MPO). As a resident of Bakers Ridge Road, Mr. Rice was the first MUB Board member to reside outside Morgantown city limits. Mr. Rice's term expires on November 11, 2018.

MUB Professional Management

Timothy L. Ball – General Manager

Timothy L. Ball was appointed as the General Manager of the Morgantown Utility Board in October, 2010. Before serving as the General Manager, Mr. Ball served as the Assistant General Manager and Chief Engineer of the Morgantown Utility Board for 14 years.

Mr. Ball joined MUB as its Senior Engineer in early 1988. He was instrumental in the development of operating plans and upgrade projects for the newly expanded utility. He contributed similarly to the startup of the stormwater utility at MUB.

Mr. Ball holds BS and MS degrees in Civil Engineering from West Virginia University. He earned a MBA from WVU in 2000. He is a registered Professional Engineer and is also a licensed Land Surveyor. He has taught both civil engineering and business management courses at his alma mater.

Mr. Ball was appointed as an inaugural member and continues to serve on the West Virginia State Public Water System Supply Study Commission. That Commission was created in 2014 by Senate Bill 373, in response to a chemical leak that disrupted water supply to 300,000 persons in and around Charleston, WV. The Commission is charged with the responsibility to advise and report to the Legislature on matters related to implementation of Senate Bill 373 and protection of the State's drinking water sources.

Mr. Ball has been recognized by his peers as a leader in the utility industry. He served as Chair of the West Virginia section of the American Water Works Association (AWWA) in 1992, and served on the National Board of Directors of AWWA from 2000 to 2003. In 1994, he received from AWWA the George Warren Fuller Award for service to the water industry. He was recognized as the Young Engineer of the Year in 1988 by the West Virginia Society of Professional Engineers, and is a member of the Tau Beta Pi and Chi Epsilon engineering honoraries. Mr. Ball actively participates in several other utility industry groups including the West Virginia Rural Water Association, the Water Environment Federation, and the West Virginia Municipal Water Quality Association. He often speaks to state and national water industry audiences on the topics of leadership, effectiveness, strategic planning, and stormwater management.

Douglas R. Smith – Assistant General Manager/Chief Engineer

Douglas R. Smith was appointed as the Assistant General Manager and Chief Engineer of the MUB in October 2010. Before serving as the Assistant General Manager and Chief Engineer, Mr. Smith served as a Senior Engineer of MUB for 14 years. He was instrumental in the startup of the stormwater utility and continues to be intimately involved in the establishment of rules and regulations set by the West Virginia Department of Environmental Protection and the Public Service Commission of West Virginia.

Mr. Smith holds a BS degree in Civil Engineering and a MBA from West Virginia University. He is also a registered Professional Engineer.

Mr. Smith served on the board of the West Virginia Section of the American Water Works Association for eight years and served as Chairman from 2006-2007. He currently serves as a board member for the West Virginia Rural Water Association. In 2008, he received the George Warren Fuller Award for service to the water industry.

Debbie Osborne – Comptroller

Debbie Osborne is the Comptroller of the Morgantown Utility Board. She manages both the Financial and Customer Information Systems. She is responsible for the preparation of budgets and financial reporting statements as well as all business and accounting operations of MUB.

She and her staff are responsible for the customer service functions for all retail water, sewer, and stormwater customers as well as providing these services for many neighboring utilities.

Ms. Osborne holds the degrees of BS in Business Administration and MPA, both awarded by West Virginia University. Prior to joining MUB in 1989, she worked for six years as an accountant for West Virginia University.

Dave Rife – Distribution Superintendent

Dave Rife manages MUB's Distribution Department which is responsible for the maintenance and construction of the water distribution and sewerage collection systems. In addition, Mr. Rife is responsible for MUB's vehicle fleet and its inventory and purchasing operation. Mr. Rife has been a MUB employee since 1983. He has worked at nearly every assignment in the department that he now manages.

Greg A. Shellito – Manager of Treatment and Production Facilities

As Manager of Treatment and Production Facilities, Greg A. Shellito manages all of MUB's treatment and pumping operations. He and his staff are responsible for the operation and maintenance of the Morgantown Water Treatment Plant, the Morgantown Wastewater Treatment Plant, and the Cheat Lake Wastewater Treatment Plant. In addition, Mr. Shellito is responsible for 15 pumping systems serving 38 water storage tanks throughout the water distribution system, totaling 73 wastewater lift stations in the two collection systems. Mr. Shellito also acts as MUB liaison to regulating federal and state agencies.

Prior to appointment his current position, Mr. Shellito served as Superintendent and Plant Engineer of the Wastewater Treatment Plant. He holds BS degrees in biology and chemistry from Gannon University in Erie, Pennsylvania, and a MS in biology from West Virginia University. Mr. Shellito is an Environmental Engineer and is certified as a Registered Engineer in Training. He has been a licensed Class IV wastewater treatment plant operator since 1988.

Mr. Shellito has published several articles in national professional journals. He is a member of several professional associations, including the West Virginia Water Environment Association, which he served as President, the American Water Works Association and the Rural Water Association.

Chris Dale – Director of Communications

Chris Dale joined MUB in 2012 and provides oversight of public outreach activities. Prior to joining MUB, he served as a visiting instructor at West Virginia University for 12 years and as a public affairs officer for the American Red Cross for 13 years where he managed crisis and emergency communications. He is a veteran of the US Army having served as a medic in the 3rd Infantry Division.

Mr. Dale maintains mub.org, ensures that area residents remain informed of MUB activities, maintains relationships with members of the media and community leaders, continuously monitors traditional and social media, plans and conducts various outreach events, consults with MUB leadership on internal/external impacts of policy changes, provides customer service for demanding customers as well as 24/7 social media support, writes and designs various internal and external communication vehicles, and maintains MUB's crisis communications plan.

Mr. Dale holds a BA in Psychology and a MS in Journalism with a specialization in public relations, both from West Virginia University.

MUB Personnel

MUB employs approximately 150 individuals. Of that number, approximately 37 are assigned to the Treatment and Production Facilities Department, approximately 72 are assigned to the Distribution Department and 41 are assigned to Administration. All employees are available to work on any aspect of the three utilities, while employee and equipment time, as well as materials, are tracked and allocated to each of the three utilities. Employees are cross-trained in each Department and succession plans for key leadership positions throughout MUB are regularly reviewed and updated.

Employees of MUB are employed directly by MUB, not the Issuer. MUB employees are not represented by a collective bargaining unit. The City Charter expressly prohibits employees of the City and MUB from organizing collective bargaining units. MUB employees are required to participate in group medical insurance and retirement plans.

MUB Business Philosophy

MUB has several keystone practices that guide its business approach. One such practice is minimizing reliance upon outside services, and doing as much as possible with MUB staff. In addition to staffing for the regular operation and maintenance the Combined Utility System requires, MUB maintains sufficient personnel and equipment to field two to three full time construction crews. Doing so allows MUB to construct system extensions and perform renewal and replacement work at lower cost, and with less preparation time, than would be required using outside contractors. Engineering staffing is similarly robust and beneficial.

The pursuit of value, rather than minimizing immediate cost, is also a key practice of MUB. An easy example is the purchase of premium efficiency pump motors. A premium efficiency pump motor may cost 10% more than a standard efficiency motor, but will yield reduced electrical consumption to pay for its incremental cost in just two or three years, while providing continued savings for decades more. MUB invests for value at every purchase opportunity.

Additionally, MUB requires that any expansion of the Combined Utility System be self-supporting. Line extensions to newly developed areas are designed and constructed by MUB at the expense of the developer. Line extensions to existing unserved areas are designed and constructed by MUB at the expense of the new customers to be served. Acquisition of other systems is accomplished at a zero purchase price other than assumption of the acquired system's existing debt, in which case the associated debt service continues to be paid by the customers on the acquired system through a separate rate schedule for the acquired area.

MUB Governance

The municipal governmental structure in which MUB was created and continues to operate is designed to provide professional, apolitical, oversight and management of the Combined Utility System. The Board, while appointed by City Council, operates with near total autonomy. The only aspects of MUB which remain subject to City Council approval are appointment of Board members, establishment of rates and charges, the issuance of bonds, and approval of large capital projects, all of which require the enactment of an ordinance by City Council.

As a subunit of the City, MUB does not participate in political issues. MUB does, however, regularly work with political bodies to further MUB’s mission.

For example, municipal ordinances to establish enforceable standards related to utility services are routinely drafted and proposed by MUB, and subsequently implemented by City Council as needed. Similarly, MUB's occasional acquisition of surrounding utilities requires and receives the cooperation of The County Commission of Monongalia County.

Similarly, MUB works closely with the West Virginia Legislature occasionally on its own behalf, but more often through the West Virginia Rural Water Association and/or the West Virginia Municipal League. MUB is well regarded in both organizations by virtue of its recognized leadership in the State and region. Two legislative initiatives in which MUB played a key role deserve special mention.

The first is House Bill 4619, enacted March 2002, which allowed the creation of stormwater utilities in West Virginia. MUB recognized early when regulations applying to municipal separate storm sewer systems (known as “MS4's”) were newly issued, that MUB was better suited to meet the regulations than was the Morgantown Street Department which had responsibility for the Morgantown storm system at the time. MUB drafted a bill, obtained sponsors, and advocated successfully at the State Legislature for its passage, modifying the State code to authorize creation of locally owned and operated stormwater utilities. MUB then worked with City Council to enact the necessary ordinances to create the State’s first stormwater utility under MUB. Since that time, MUB's Stormwater System has served as a model for others in the State and region.

The second is Senate Bill 234, enacted in March 2015, with further clarifications enacted March 2017 (collectively, “Senate Bill 234”) which reduced the regulatory authority of the Public Service Commission of West Virginia (“PSC”) over the state's largest publicly owned water and/or sewer utilities. Excessive regulation of rates by the PSC was widely perceived to have suppressed and/or discouraged justifiable rate increases, thus leaving utilities without adequate revenues to fund proper operation and maintenance activities. Similarly, the PSC capital project approval process was widely viewed as an unproductive and expensive review that added little or no value, but often delayed work as much as a year. In 2014, a report by an internationally recognized credit rating agency

cited excessive regulation as a significant credit risk arising from West Virginia's regulatory scheme. To address this issue, MUB drafted and proposed to the Legislature Senate Bill 234, and working with its partners at WVWRA and West Virginia Municipal League, obtained multiple sponsors from the leadership in both houses of the Legislature, and successfully advocated for its passage. See "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – State Utility Regulation" and "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – Rate Setting and Project Approval Process" herein.

The above examples illustrate MUB's willingness and ability to achieve Legislative solutions to issues. MUB also monitors legislation each year and provides insight to the West Virginia Legislature on the potential impact of proposed bills.

MUB Fiscal Policies

The Board has adopted a comprehensive Statement of Investment Policy. The statement outlines broad investment policies to include delegation of certain authority to the General Manager, investment objectives, collateralization of deposits, protection of funds, permitted investments, investment of bond proceeds and investment reporting.

The Board recently formalized MUB's long-standing practices regarding cash management through the adoption of a Liquidity Policy. The Liquidity Policy establishes a stated goal for MUB to maintain between 110 – 140 days of operation and maintenance expense in unrestricted cash and cash equivalents available for unexpected economic and operational events. The Liquidity Policy assumes daily operation and maintenance expense of $40,000, which results in available liquid assets of $4,400,000 to $5,600,000.

MUB's combined cash reserves are currently and temporarily reduced by the payment of the costs related to planning and design of the proposed additions, betterments and improvements to the Water System which are part of the Project. These preliminary expenditures will be reimbursed from proceeds of the Series 2018 B Bonds pursuant to a Reimbursement Resolution adopted by the Council of the Issuer on April 1, 2014. MUB typically finances the pre-construction costs of bond financed projects "out of pocket". Those costs are then reimbursed to MUB immediately upon closing of the long-term financing for the project. For the Project the anticipated reimbursement will be up to $2,100,000 from the proceeds of the Series 2018 B Bonds.

MUB PENSION OBLIGATIONS

As authorized by state law and required by City ordinance, MUB employees are enrolled in The City of Morgantown Employees' Retirement and Benefit Fund. Employees contribute 5.95% of their compensation. MUB likewise contributes an actuarially determined share toward each employee account, currently at 13.23% of payroll. See "MUB Personnel" herein.

The pension fund is managed by an elected Board of Trustees and its agents. The fund is estimated to be 78.35% funded as of June 30, 2017. MUB's share of the unfunded pension liability as of June 30, 2017 was $8,686,000.

As of the July 1, 2011 actuarial valuation, the Board of Trustees adopted a closed amortization period of 25 years to amortize the unfunded liability. As of the July 1, 2016 valuation, the remaining amortization period is 20 years.

Of the 13.23% of payroll currently contributed by MUB, 6.91% goes toward the amortized unfunded liability. The remaining 6.32% of payroll is MUB's actuarially determined normal contribution.

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THE COMBINED UTILITY SYSTEM

MUB Combined Utility System Retail Customer History

The average number of retail customers for the Combined Utility System for the past ten (10) Fiscal Years are as follows:

Fiscal Year (ended June 30)	*Water Customers*	*Water Growth Percentage*	*Sewer Customers*	*Sewer Growth Percentage*	*Stormwater Customers*	*Stormwater Growth Percentage*
2008	22,930	2.2%	16,982	2.6%	14,026	–
2009	23,333	1.8%	17,488	3.0%	14,311	2.0%
2010	23,786	1.9%	18,105	3.5%	14,428	0.8%
2011	24,129	1.4%	18,747	3.5%	14,535	0.7%
2012	24,509	1.6%	19,063	1.7%	14,616	0.6%
2013	25,261	3.1%	19,752	3.6%	14,620	0.0%
2014	25,459	0.8%	20,495	3.8%	14,623	0.0%
2015	25,748	1.1%	21,827	6.5%	14,850	1.6%
2016	25,909	0.6%	22,124	1.4%	15,173	2.2%
2017	26,200	1.1%	22,575	1.9%	15,260	0.5%

MUB Water System

The Water System provides retail potable water service to approximately 26,200 customers. Water System facilities include, but are not limited to, approximately 414 miles of transmission pipe, a 16 million gallon per day (MGD) water treatment plant, 15 booster pumping stations and 34 water storage tanks with a combined volume of 18.8 million gallons. Raw water is currently supplied through an intake on the Monongahela River and Cobun Creek Reservoir #1. The water treatment plant was recently significantly upgraded, the design for which began in 2009. Construction of the overall water treatment plant upgrade began in 2010 and was completed in 2012. The project replaced the existing Monongahela River intake structure, added a membrane filtration process, expanded clear well storage and updated and improved the various chemical feed systems. The improved water treatment plant has an immediate capacity of 16 MGD, and can be incrementally expanded to 24 MGD.

MUB Water System – Service Area

MUB's Water System retail service area:

- includes the entirety of the City and surrounding areas in Monongalia County, West Virginia;
- covers approximately 52.6 square miles; and
- includes a diversified group of healthcare, higher education, manufacturing, and service industry customers.

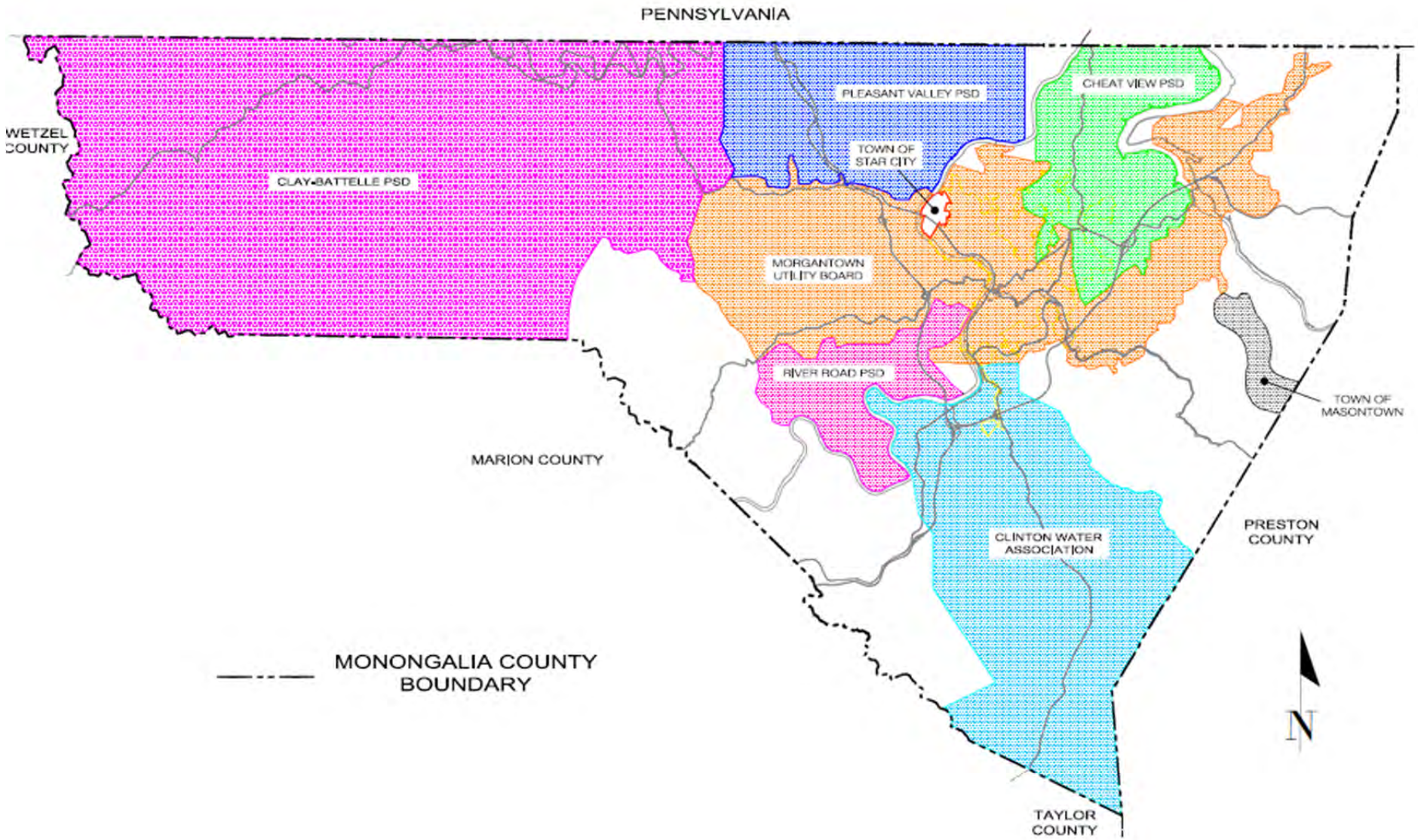
In addition to MUB's retail customers, MUB sells bulk treated water to seven (7) separate adjacent public water utilities: Cheat View Public Service District, Clinton Water Association, Clay Battelle Public Service District, Pleasant Valley Public Service District, the Town of Masontown, the Town of Star City, and River Road Public Service District (collectively, the "Water Resale Customers"). The Water Resale Customers utilize the purchased water to provide retail potable water service to nearly 12,500 customers within their respective service territories.

In early 2018, MUB received a request from River Road Public Service District ("River Road PSD") to acquire the water storage and distribution assets of the River Road PSD (the "River Road Water System"). The proposed acquisition is supported by The County Commission of Monongalia County. The Public Service Board of River Road PSD will consider an operation and maintenance agreement ("O&M Agreement") with MUB on June 13th, to be considered by the Board of MUB on June 18th. If approved, the O&M Agreement will become effective immediately. The respective boards will then consider an acquisition agreement. As consideration for the acquisition, the Issuer would assume the existing debt of River Road PSD which is secured by the River Road Water System. See – "**Future Bond Issues** – Acquisition of River Road PSD". MUB's acquisition of the River Road Water System must be approved by the Public Service Commission of West Virginia, as well as the West Virginia Water Development Authority as the holder of the water revenue bonds of River Road PSD.

Upon completion of the acquisition of the River Road Water System, the Issuer will amend the rates and charges of the Water System to provide that the customers of the River Road Water System continue paying the costs for operation and maintenance of, and debt service related to, the River Road Water System. The other customers of MUB will not contribute towards the costs of the River Road Water System.

Set forth on the next page is a map which reflects the retail service area of the Water System, as well as the general geographic boundaries of the Water Resale Customers.

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PENNSYLVANIA
WETZEL COUNTY
CLAY-BATTELLE PSD
PLEASANT VALLEY PSD
TOWN OF STAR CITY
CHEAT VIEW PSD
MORGANTOWN UTILITY BOARD
RIVER ROAD PSD
TOWN OF MASONTOWN
MARION COUNTY
CLINTON WATER ASSOCIATION
PRESTON COUNTY
MONONGALIA COUNTY BOUNDARY
N
TAYLOR COUNTY

MUB Water System – Customer Data

The following table sets forth the total potable water sales by MUB in each of the last ten (10) Fiscal Years:

Fiscal Year (ended June 30)	*Residential*	*Commercial*	*Industrial*	*Public Authorities*	*Other/Resale*	*Total*
2008	$2,103,110	$867,818	$252,077	$584,108	$957,550	$4,764,663
2009	$2,318,377	$929,036	$275,450	$549,397	$1,150,244	$5,222,504
2010	$2,343,293	$984,890	$265,091	$531,366	$1,197,923	$5,322,563
2011	$2,392,492	$1,033,362	$285,208	$518,649	$1,178,934	$5,408,645
2012	$3,223,346	$1,494,901	$455,788	$718,485	$1,733,959	$7,626,479
2013	$4,145,424	$2,103,342	$638,978	$989,990	$2,232,964	$10,110,698
2014	$4,095,556	$2,113,502	$672,972	$978,035	$2,324,122	$10,184,187
2015	$4,072,301	$1,955,425	$824,349	$916,151	$2,354,942	$10,123,168
2016	$4,035,841	$1,934,279	$800,615	$919,494	$2,275,727	$9,965,956
2017 (1)	$5,124,413	$2,433,417	$1,100,497	$1,261,319	$2,990,082	$12,909,727

(1) The data for the Fiscal Year ending June 30, 2017, reflects the implementation of the water rate increase enacted for purposes of financing the portion of the Project related to the Water System.

MUB Water System – Largest Customers

The following table sets forth the ten largest customers of the Water System and related annual sales for the Fiscal Year ended June 30, 2017.

	Customer	*Consumption (gallons in 1,000s)*	*Sales*
1	West Virginia University	259,308	$957,756.00
2	Cheat View PSD*	273,339	$923,732.00
3	Clinton Water Association*	259,635	$877,577.00
4	Mylan Pharmaceuticals	134,014	$487,056.00
5	Clay Battelle PSD*	111,842	$377,521.00
6	Addivant	108,860	$370,248.00
7	Pleasant Valley PSD*	87,425	$297,204.00
8	WVU Hospitals	73,353	$257,905.00
9	Morgantown Energy Associates	74,554	$252,228.00
10	Town of Star City *	72,348	$247,874.00
	Totals	**1,454,678**	**$5,049,101.00**

*Resale Customer

The total Water System Gross Revenue for the Fiscal Year ended June 30, 2017 was $12,909,727.00 The ten largest water users represented 39% of the Water System Gross Revenue.

MUB Water System – Water Resale Customers

The following tables set forth information regarding MUB's Water Resale Customers for the Fiscal Years indicated.

MUB Water Resale Customers – Resale Customer Count*

Resale Customer	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*
Cheat View PSD	3,669	3,721	3,512	3,625	3,512
Clinton Water Ass'n	3,602	3,524	3,537	3,384	3,332
Clay Battelle PSD	1,644	1,647	1,646	1,641	1,635
Pleasant Valley PSD	947	947	945	937	931
Town of Masontown	921	921	910	902	802
Town of Star City	931	900	886	876	880
River Road PSD	781	774	750	633	622
Total	**12,495**	**12,434**	**12,186**	**11,998**	**11,010**

MUB Water Resale Customers – Annual Gallons Bulk Water Purchased from MUB (000's omitted)**

Resale Customer	*Fiscal Year 2017*	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*
Cheat View PSD	273,339	266,858	252,158	243,707	245,167	253,678
Clinton Water Ass'n	259,635	250,998	260,134	262,033	245,336	246,707
Clay Battelle PSD	111,842	123,838	124,343	135,788	124,374	141,603
Pleasant Valley PSD	87,425	83,350	108,955	115,482	107,160	98,448
Town of Masontown	40,192	42,701	45,016	40,794	38,705	36,548
Town of Star City	72,348	70,841	77,925	78,984	87,600	87,840
River Road PSD	39,952	51,643	46,288	41,902	42,116	39,949
Total	**884,733**	**892,229**	**914,819**	**918,690**	**890,458**	**904,773**

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MUB Water Resale Customers – Annual Bulk Water Purchases from MUB**

Resale Customer	*Fiscal Year 2017*(1)	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*
Cheat View PSD	$923,732	$678,045	$645,044	$619,372	$629,950	$466,255
Clinton Water Ass'n	$877,577	$637,888	$662,239	$667,767	$625,524	$626,695
Clay Battelle PSD	$377,521	$314,275	$315,531	$344,507	$314,785	$261,038
Pleasant Valley PSD	$297,204	$221,809	$299,439	$310,514	$298,866	$203,685
Town of Masontown	$136,521	$108,998	$113,725	$104,587	$99,030	$70,406
Town of Star City	$247,874	$184,411	$205,611	$203,983	$131,400	$118,954
River Road PSD	$135,700	$130,028	$118,073	$107,129	$107,518	$76,054
Total	**$2,996,129**	**$2,275,454**	**$2,359,662**	**$2,357,859**	**$2,207,499**	**$1,823,087**

(1) The data for the Fiscal Year ending June 30, 2017, reflects the implementation of the water rate increase enacted for purposes of financing the portion of the Project related to the Water System.

For the Fiscal Year ending June 30, 2017, sales of bulk water to the Water Resale Customers represented 23% of the Water System's Gross Revenue.

***** Information gathered from Annual PSC Reports of Resale Customers
** Source: Morgantown Utility Board

MUB Sewer System

The Sewer System provides sanitary sewer service directly to approximately 22,575 customers. The Sewer System has two distinct portions. The first, the "Morgantown Sewer System," includes both The City of Morgantown and the immediately surrounding areas, encompassing the traditional service area of MUB. The facilities in the Morgantown Sewer System include, but are not limited to, approximately 299 miles of collection lines and mains, the primary wastewater treatment plant located in Star City (the "Star City WWTP") which currently has a 12 million gallons per day (MGD) capacity, 53 lift stations, and 40 combined sewer overflows.

The Series 2016 A Bonds, the Series 2016 B-1 Bonds and the Series 2016 B-2 Bonds were issued to finance the costs of design, acquisition, construction and equipping of a project to upgrade the Star City WWTP and the Popenoe Run Interceptor which transmits most of the flow from the Sewer System to the Star City WWTP (collectively, the "2016 Sewer System Project"). The purpose of the 2016 Sewer System Project is to increase treatment capacity at the Star City WWTP to 20.8 MGD as part of MUB's Long Term Control Plan for management of combined sewer overflows. The contract for the Popenoe Run Interceptor is 100% complete, and was both on schedule and on budget. The contract for the Star City WWTP, approximately $84,000,000, is currently on schedule (27% complete on a contract expenditure basis), and on budget, with change orders of less than .02% of the contract amount. The entire 2006 Sewer System Project is scheduled for completion in 2020.

The second distinct portion of the Sewer System is the sanitary sewer collection and treatment system which serves the Cheat Lake area outside of, but adjacent to, the municipal limits of the Issuer in Monongalia County. The Cheat Lake System serves approximately 2,800 retail customers. The facilities of the Cheat Lake System includes approximately 50 miles of collection and transmission lines, a 750,000 gallon per day (GPD) wastewater treatment plant (the "Cheat Lake WWTP") and 20 lift stations. The Cheat Lake System contains no combined sewer overflows. The Cheat Lake WWTP, lift stations, and major interceptors and force mains were constructed in 2000 at a cost of $10,000,000. Growth and demand for expanded utility services is generally strong throughout the MUB service area and particularly so in the Cheat Lake area.

MUB Sewer System – Service Area

MUB's Sewer System Service area:

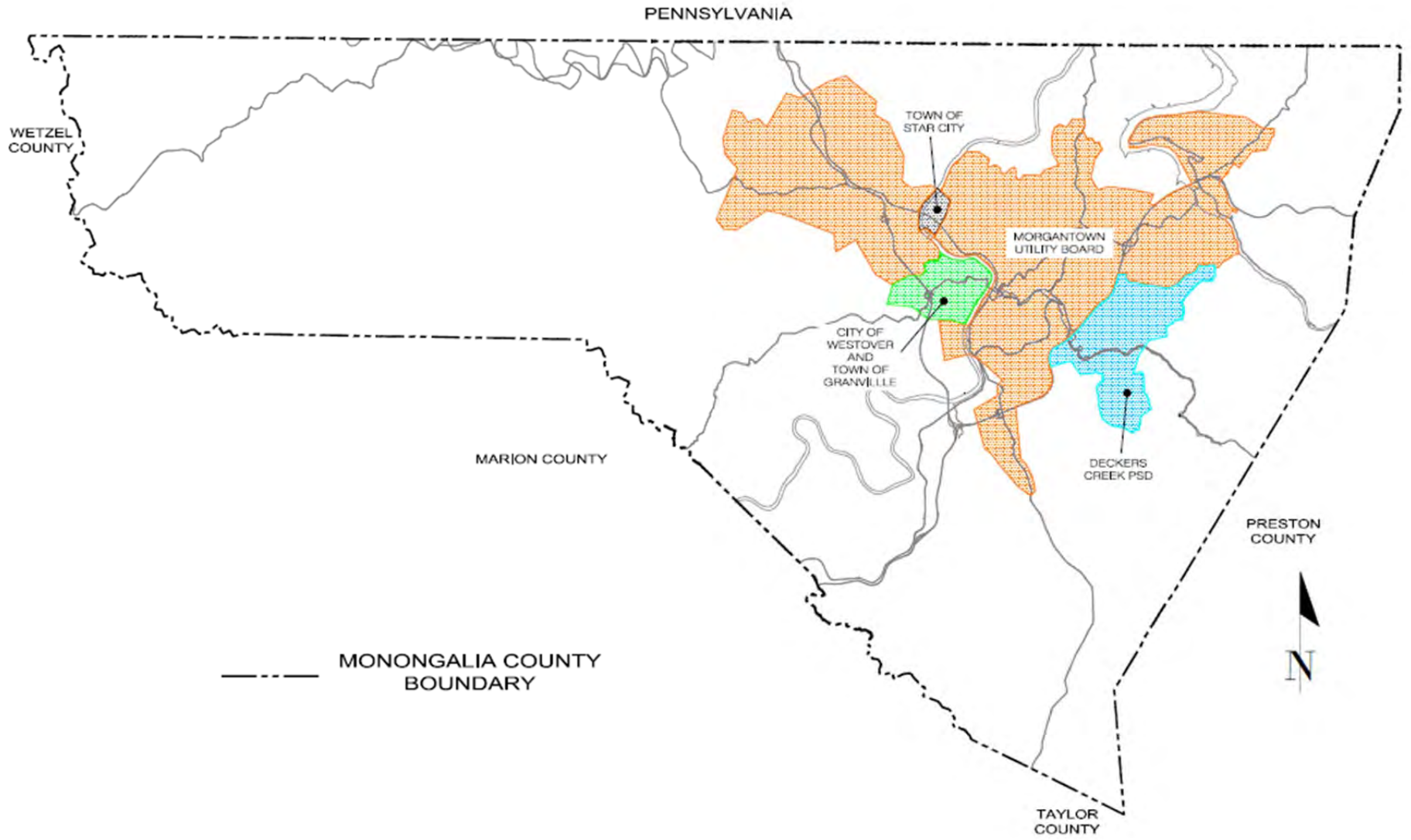
- includes the entirety of the City and surrounding areas in Monongalia County, West Virginia;
- covers approximately 49.75 square miles; and

- includes a diversified group of healthcare, higher education, manufacturing, and service industry customers.

In addition to MUB's retail customers, MUB provides sanitary sewerage transmission and treatment to four (4) separate adjacent public sewer utilities: the City of Westover, Deckers Creek Public Service District ("Decker's Creek PSD"), the Town of Star City, and the Town of Granville (collectively, the "Sewer Resale Customers"). The Sewer Resale Customers provide retail sanitary sewer service to a total of nearly 5,500 customers within their respective service territories.

Set forth on the next page is a map which reflects the retail service area of the Sewer System, as well as the general geographic boundaries of the Sewer Resale Customers.

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PENNSYLVANIA
WETZEL COUNTY
TOWN OF STAR CITY
MORGANTOWN UTILITY BOARD
CITY OF WESTOVER AND TOWN OF GRANVILLE
DECKERS CREEK PSD
MARION COUNTY
PRESTON COUNTY
TAYLOR COUNTY
N
MONONGALIA COUNTY BOUNDARY

MUB Sewer System – Customer Data*

The following table sets forth the total sanitary sewer collection and treatment sales by MUB in each of the last ten (10) Fiscal Years:

Fiscal Year (ended June 30)	*Residential*	*Commercial*	*Industrial*	*Public Authorities*	*Other/Resale*	*Total*
2008	$4,530,051	$1,473,390	$299,693	–	$629,086	$6,932,220
2009	$4,835,992	$1,317,109	$339,187	–	$712,505	$7,204,793
2010	$3,458,586	$1,903,921	$307,798	$1,274,932	$700,225	$7,645,462
2011	$3,531,058	$1,982,495	$313,247	$1,156,584	$785,867	$7,769,251
2012	$3,789,665	$2,243,995	$493,504	$1,307,667	$867,749	$8,702,580
2013	$4,242,666	$2,380,843	$426,778	$1,411,592	$861,492	$9,323,371
2014	$4,487,498	$2,447,661	$460,191	$1,401,645	$803,564	$9,600,559
2015	$5,079,237	$2,874,371	$454,779	$1,356,427	$712,508	$10,477,322
2016	$5,186,957	$3,008,484	$475,128	$1,365,651	$656,106	$10,692,326
2017 (1)	$7,788,657	$4,739,140	$1,666,297	$2,601,383	$1,341,231	$18,136,708

(1) The data for the Fiscal Year ending June 30, 2017, reflects the implementation of the rate increase for the Sewer System to finance the design, acquisition, construction and equipping of the 2016 Sewer System Project (hereinafter defined).

MUB Sewer System – Largest Customers*

The following table sets forth the ten largest customers of the Sewer System and related annual sales for the Fiscal Year ended June 30, 2017.

	Customer	*Consumption (gallons in 1,000s)*	*Sales*
1	West Virginia University	257,939	1,966,726
2	Mylan Pharmaceuticals	134,014	1,233,149
3	City of Westover**	243,574	684,444
4	WVU Hospitals	74,479	566,048
5	Morgantown Energy Associates	74,554	391,228
6	Deckers Creek PSD**	113,006	317,548
7	RF Kennedy Youth Center	38,971	292,390
8	Town of Star City**	87,600	246,156
9	Monongalia General Hospital	27,064	158,582
10	Cintas	18,748	139,674
	Total	**1,069,949**	**5,995,945**

* Source: Morgantown Utility Board
** Resale Customer

The total Sewer System Gross Revenue for the Fiscal Year ended June 30, 2017 was $18,136,708. The ten largest sewer customers represented 33% of the Sewer System Gross Revenue.

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MUB Sewer Resale Customers

The following tables set forth information regarding MUB's Sewer Resale Customers for the Fiscal Years indicated.

MUB Sewer Resale Customers – Resale Customer Count*

Resale Customer	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*
City of Westover	2,249	2,241	2,241	2,180	2,120
Deckers Creek PSD	1,866	1,831	1,820	1,790	1,748
Town of Star City	915	891	876	876	880
Town of Granville	340	345	347	349	357
Total	**5,370**	**5,308**	**5,284**	**5,195**	**5,105**

MUB Sewer Resale Customers – Annual Gallons Wastewater Treated by MUB (000's omitted)**

Resale Customer	*Fiscal Year 2017*	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*	*Fiscal Year 2011*
City of Westover	243,574	213,689	230,765	230,859	200,663	236,660	262,998
Deckers Creek PSD	113,006	103,074	103,994	115,570	151,686	166,708	172,927
Town of Star City	87,600	87,840	87,840	87,600	87,600	87,840	87,600
Town of Granville	33,125	32,801	42,636	46,912	35,323	53,313	39,002
Total	**477,305**	**437,404**	**465,235**	**480,941**	**475,272**	**544,521**	**562,527**

MUB Sewer Resale Customers – Annual Treatment Cost Billed by MUB**

Resale Customer	*Fiscal Year 2017*(1)	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*	*Fiscal Year 2011*
City of Westover	$684,444	$320,534	$346,148	$346,289	$331,995	$314,434	$318,228
Deckers Creek PSD	$317,548	$154,611	$155,991	$173,356	$227,528	$223,149	$209,568
Town of Star City	$246,156	$131,760	$131,400	$131,040	$131,400	$118,954	$105,996
Town of Granville	$93,083	$49,201	$63,955	$70,368	$52,984	$73,110	$47,192
Total	**$1,341,231**	**$656,106**	**$697,494**	**$721,053**	**$743,907**	**$729,647**	**$680,984**

(1) The data for the Fiscal Year ending June 30, 2017, reflects the implementation of the rate increase for the Sewer System to finance the design, acquisition, construction and equipping of the 2016 Sewer System Project (hereinafter defined).

For the Fiscal Year ended June 30, 2017, payments for sewage transmission and treatment to MUB from Sewer Resale Customers represented 7% of the Sewer System Gross Revenue.

***** Information gathered from Annual PSC Reports of Resale Customers
** Source: Morgantown Utility Board

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MUB Stormwater System

The Stormwater System serves approximately 15,260 customers. The West Virginia Department of Environmental Protection ("DEP") implemented federal MS4 (Municipal Separate Storm Sewer System) regulations effective 2003. The City of Morgantown added stormwater to the mission of MUB on May 21, 2002. Prior to that, the Stormwater System was maintained by the City Street department. The MUB stormwater utility was the first created in West Virginia, and has served as the model for others created statewide since that time. Stormwater rates, based on measured impervious area, were enacted by the Council of the Issuer to fund a suitable annual budget for both ongoing operations and maintenance, and for capital improvements. The MUB stormwater service area is defined on a watershed basis, and therefore includes areas that flow into the City from beyond the municipal corporate limits. Stormwater System facilities include a known inventory of 103 miles of pipe and culverts, however, the length of the total stormwater conveyance facilities is estimated to be approximately 225 miles. A mapping project to determine the full system inventory is underway, as required by recent federal regulations. An $8,500,000 project was completed in 2009 to improve the Burroughs Run and Popenoe Run streams, providing stream restoration to stabilize the streams and to improve stream conveyance capacity in order to reduce the potential for flooding. A $2,475,000 project to improve and protect the Sabraton area along the Hartman Run stream, and at the intersection of Hartman Run Road (W.V. Route 857) and W.V. Route 7 was completed in 2015.

MUB Stormwater System – Proposed Improvements

Forest Ave - Includes installation of approximately 500 feet of stormwater piping, related catchment structures, curb and pavement reconstruction.

Valley View Ave - Includes installation of approximately 1,100 feet of stormwater pipe ranging in sizes from 18 inches to 48 inches in diameter, related catchment structures and pavement reconstruction. Additionally, approximately 600 feet of sanitary sewer will need to be installed to facilitate the construction of the proposed storm line.

Acorn Village/Tanglewood – Includes approximately 1,000 feet of storm system reconstruction including a combination of pipeline and stream/ditch line restoration and potentially detention facilities.

Third Street - Includes replacement approximately 260 of 15 inch storm line.

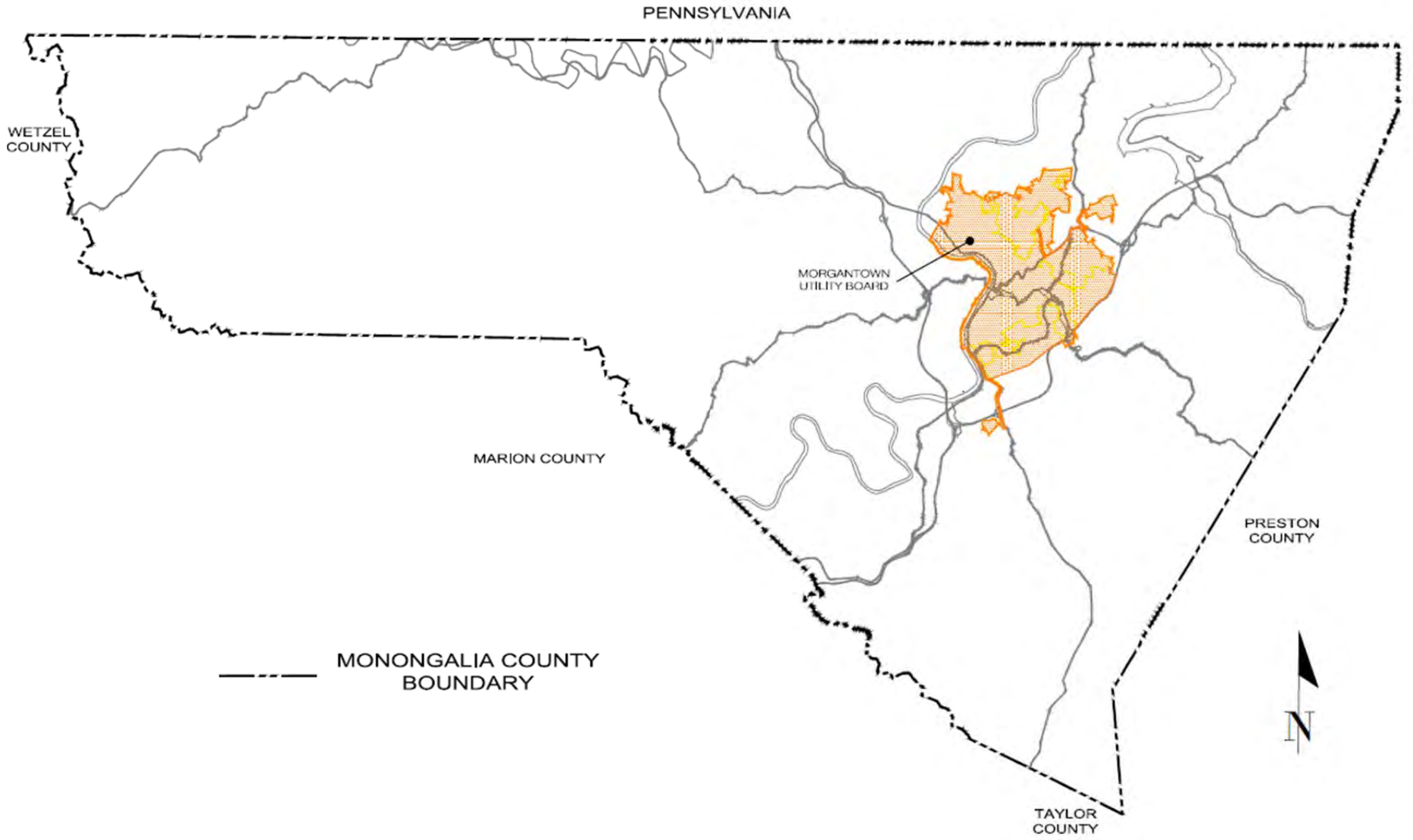
MUB Stormwater System – Service Area

MUB stormwater service area:

- includes the entirety of the City and surrounding areas in Monongalia County, West Virginia;
- covers approximately 14.68 square miles; and
- includes a diversified group of healthcare, higher education, manufacturing, and service customers.

Set forth on the next page is a map which reflects the retail service area of the Stormwater System.

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PENNSYLVANIA
WETZEL COUNTY
MORGANTOWN UTILITY BOARD
MARION COUNTY
PRESTON COUNTY
TAYLOR COUNTY
MONONGALIA COUNTY BOUNDARY
N

MUB Stormwater System – Largest Customers

	Customer	*Impermeable Surface (in sq. ft.)*	*Revenue*
1	West Virginia University	10,294,678	$290,310
2	WVU Hospitals	1,603,625	$45,222
3	Board of Education	1,490,980	$42,046
4	Mylan Pharmaceuticals	1,050,333	$29,619
5	Monongalia General Hospital	984,335	$27,758
6	RF Kennedy Youth Center	914,792	$25,797
7	The City of Morgantown	882,708	$24,892
8	Wal-Mart Stores	772,999	$21,799
9	GP Management	746,872	$21,062
10	US Dept. Energy NETL	632,970	$17,850
	Total	**19,374,292**	**$546,355**

The total stormwater operating revenue for the Fiscal Year ended June 30, 2017 was $1,898,317. The ten largest stormwater customers represented 29% of the total operating revenue.

MUB Operating and Capital Budgets

Operating and Capital budgets for the Water System, Sewer System and Stormwater System are prepared and approved annually by MUB.

MUB Combined Utility System Environmental Regulatory Performance

MUB maintains an excellent record of regulatory compliance. Discussion follows with respect to the Water System, the Sewer System and the Stormwater System.

MUB Water System.

Although numerous standards apply to regulate the treatment process and quality of treated potable water, a permitting process analogous to the National Pollutant Discharge Elimination System ("NPDES") permit does not exist. Nonetheless, monthly reports are required by WV Department of Health and Human Resources ("DHHR"), and consistently indicate full compliance.

The PSC requires annual reporting of water loss, which is measured by a percentage of water that is un-accounted, and requires a corrective action plan for water loss exceeding 15%. MUB's program of loss prevention and leak location is very effective, and consistently complies with the PSC standard. The most recent reported water loss was 10.35% for FY 2017.

There are no outstanding enforcement actions applicable to the Water System.

MUB Sewer System.

Sewer service is regulated under the separate NPDES permits for the Star City WWTP and the Cheat Lake WWTP, and each corresponding collection system. As evidenced by receipt of numerous consecutive Platinum Awards from the National Association of Clean Water Agencies ("NACWA"), MUB has had zero permit violations in the last 17 years at the Star City WWTP, and in the last 19 years at the Cheat Lake WWTP.

An Administrative Order has been issued by West Virginia Department of Environmental Protection ("DEP") related to the Long Term Control Plan, and is procedural in nature. MUB is fully compliant with the terms of the Administrative Order.

An Administrative Order has been issued by DEP related to the 2016 Sewer System Project, and confirms the construction plan and schedule proposed by MUB in the approved NPDES permit modification. MUB anticipates full compliance with the Administrative Order.

There are no other outstanding enforcement actions applicable to the Sewer System.

MUB Stormwater System

Numerous standards apply to regulate the operation and maintenance of stormwater systems by way of the MS4 variation of the NPDES permit. Semi-annual reports are required by DEP, and consistently indicate substantial compliance.

A 2014 inspection by DEP of MUB's MS4 reporting resulted in a Notice of Violation for failure to achieve certain permit requirements and/or goals expressed in MUB's Stormwater Management Plan. In most cases, the requirement/goal had been achieved, but the achievement was not properly documented. MUB was directed to submit a report describing how the unmet goals would be achieved/documented for compliance; said report was promptly submitted, appropriate program corrections were made, and no further enforcement action has been taken or is expected to be taken.

A 2015 inspection by the United States Environmental Protection Agency ("EPA") of MUB's MS4 reporting (for years 2012 and 2013) resulted in an Administrative Order for failure to achieve certain permit requirements. MUB was directed to submit a report describing how the unmet goals would be achieved/documented for compliance; said report was promptly submitted, and EPA has now issued a letter accepting the Report and closing the Administrative Order docket as having been appropriately resolved.

There are no outstanding enforcement actions applicable to the Stormwater System.

MUB Sewer System Long Term Control Plan

MUB's original Long Term Control Plan ("LTCP") was submitted to WV DEP and approved in 2002. Because such complex plans and the regulations to which they respond are constantly evolving, the LTCP is best considered a "living document" that remains subject to continuous revision and re-negotiation.

Work completed under the 2002 LTCP includes the following: (i) an addition of a third secondary clarifier at the Star City WWTP, which was completed in 2009 at a cost of $6,400,000; and (ii) an upgrade of Deckers Creek Pump station and force main, which was completed in 2012 at a cost of $15,500,000.

MUB submitted updates to its LTCP to WV DEP in 2011 and 2014. These updates have not been formally approved or rejected by DEP, and remain under ongoing discussion. The 2014 LTCP served as the basis for the 2016 Sewer System Project.

The 2014 LTCP describes four phases of anticipated improvements (all cost estimates are in 2015-2016 dollars):

- Group 1 – 2020 completion
  - WWTP upgrade – financed as a portion of the 2016 Sewer System Project at a cost of $101,000,000 (estimated $70,000,000 in LTCP).
  - Popenoe Run Interceptor replacement – financed as a portion of the 2016 Sewer System Project at a cost of $1,600,000 (estimated $6,000,000 in LTCP).

- Group 2 – 2025 completion
  - Star City WWTP upgrade Phase 2 at $21,000,000.* (Since the 2014 LTCP, portions of the Star City WWTP upgrade Phase 2 have been included in the 2016 Sewer System Project.)

- Group 3 – 2030 completion
  - Upgrade of Deckers Creek Pump Station and Interceptor at $19,000,000.*
  - Popenoe Run Pumping and Storage at $12,000,000.*

- Group 4 – 2035 completion
  - Add High Flow Wet Weather Treatment to WWTP at $44,000,000.*

* Preliminary, subject to change. Also, construction subject to availability of grant and low interest loan funds and affordability under %MHI indices.

MUB Awards and Recognitions

MUB is recognized as an industry leader in West Virginia and the region with respect to water, wastewater and stormwater utilities. MUB has been repeatedly recognized by a variety of organizations for both projects and policies which have reflected this leadership. Included in such accolades are the following:

Year	Category	Issued by	Notation
2018	Sewer	NACWA	Platinum – Star City WWTP (17th consecutive year)
2018	Sewer	NACWA	Platinum – Cheat Lake WWTP (19th consecutive year)
2018	Stormwater	WV DEP	Environmental Excellence Award – stormwater
2016	Water	WV AWWA	1st place Taste Test
2013	Water	WV RWA	Water System of the Year
2012	Stormwater	WV DEP	Environmental Excellence Award – stormwater
2009	Stormwater	Assoc. Builder & Contractors	Excellence in Construction – Burroughs Run Project
2008	Stormwater	WV DEP	Pisces Award – Innovative & Effective SRF
2002	Water	WV RWA	Water System of the Year
2002	Sewer	WV DEP	Environmental Excellence Award – large plant
2002	Sewer	WV DEP	Environmental Excellence Award – small plant
2002	Sewer	Assoc. Builder & Contractors	Excellence in Construction – Cheat Lake WWTP
2001	Sewer	WV DEP	Environmental Excellence Award – most improved

MUB actively participates in the activities and leadership of several West Virginia based industry groups and national industry organizations, including:

West Virginia Based Organizations

- WV American Water Works Association ("WV AWWA"),
- WV Rural Water Association ("WV RWA"),
- West Virginia Municipal League ("WVML"),
- West Virginia Municipal Water Quality Association ("WVMWQA"), and
- West Virginia Water Environment Association ("WVWEA").

National Organizations

- American Water Works Association ("AWWA"),
- Water Environment Federation ("WEF"),
- Rural Water Association ("RWA"),
- National Association of Clean Water Agencies,
- Association of Metropolitan Water Agencies ("AMWA"),
- Wet Weather Partnership, and
- National Association of Clean Water Agencies ("NACWA).

MUB's active participation in these organizations has broadened its reach to include a wide network of resources and contacts. This allows MUB to bring cutting edge ideas to practice in its service areas. Most importantly, it empowers MUB to compare itself to, learn from, and compete with larger utilities throughout the nation and region.

In addition to formal recognition, MUB is unique among public utilities in West Virginia as the first, and to this date, the only, combined potable water, sanitary sewer and stormwater utility.

MUB Operations, Maintenance, and Asset Management

MUB Operations Overview.

The Water Treatment Plant, Star City WWTP and the Cheat Lake WWTP (collectively, the "Treatment Plants") are under the direct supervision of the Manager of Treatment and Production Facilities. The Treatment Plants are operated by professionals licensed by the WV Bureau for Public Health (Water) and the West Virginia Department of Environmental Protection (Sewer). In addition to the Treatment Plants, the Manager of Treatment and Production Facilities is responsible for the operation and maintenance of the 15 pumping stations and 34 storage tanks included in the Water System and the 73 pumping stations in the Sewer System.

The distribution and transmission lines in the Water System, collection and transmission lines in the Sewer System and the management and conveyance infrastructure in the Stormwater System are the responsibility of the

Distribution Superintendent. The Combined Utility System includes approximately 414 miles of water distribution lines, 299 miles of sewerage collection and transmission lines, and approximately 225 miles of stormwater management, conveyance and control facilities.

MUB Maintenance Overview.

MUB has a structured maintenance program which focuses on ensuring the expected useful life of facilities and equipment throughout the Combined Utility System. A computerized maintenance management system is utilized to track and document preventative maintenance, predictive maintenance and unplanned repair activities. A computerized purchasing and inventory control system is utilized.

Asset Management Plan Overview.

MUB maintains an Asset Management Plan which is updated on an annual basis to reflect depreciation, replacement and upgrades of existing assets, as well the addition of new assets. The purposes of the Asset Management Plan are to (i) ensure the maximum reasonable useful life of assets; (ii) reduce the occurrence of lost service through anticipatory replacement, repair or improvement of assets; and (iii) support optimal decision-making through consistent life-cycle costing and renewal and replacement planning.

MUB CAPITAL IMPROVEMENT PROGRAM

MUB utilizes an annually adopted five-year Capital Improvement Program ("CIP") to plan and manage the capital improvements necessary to fulfill its service mission, comply with regulatory requirements and preserve and upgrade each system within the Combined Utility System. MUB updates the CIP annually in conjunction with its budget process, based on detailed project review by engineering staff, external engineering consultants retained by MUB and senior management.

MUB CIP Management and Administration

Consulting engineering services are generally employed for the design of major projects. MUB's engineering department has fourteen (14) employees who design certain projects and review and coordinate the plans submitted by consulting engineers for others. Depending on the size and type of project, responsibility for design, bidding, construction management, and/or resident inspection may be provided by MUB engineering, staff, consulting engineers, or a combination of both. All projects are scheduled and monitored under the direction of a licensed professional engineer. Overall project coordination and management is the responsibility of the General Manager and Assistant General Manager/Chief Engineer.

MUB CIP Funding Sources

MUB anticipates funding the CIP through a combination of long term debt (i.e. Additional Parity Bonds) and internally generated funds for capital additions. Additional funding is routinely received from developers, the West Virginia Department of Highways, West Virginia University and others for the purpose of increasing capacity, relocating facilities and expanding the service area.

MUB Current CIP

The paragraphs below outline the current five-year CIP, with the exclusion of the Project to be financed with the Series 2018 B Bonds.

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MUB Water System – CIP.

Rates and charges for the Water System have been established that provide an annual budget of $1,000,000 in internally generated funds for capital improvements. The capital improvement projects include a combination of renewal and replacement of distribution lines, pumping and treatment structures, and major equipment. Anticipated Capital Improvements include;

Year	Project	Estimated Cost
2018	University Avenue	$200,000
	Pixler Hill and Hagedorn Lane	$100,000
	Replace Cherry Hill Booster	$150,000
	Miscellaneous Upgrades and Extensions	$550,000
2019	University Avenue	$150,000
	Linden, Lexington, Melrose and West Replacements	$200,000
	Miscellaneous Upgrades and Extensions	$650,000
2020	High, Madison, Long, Dunkard, Kenmore	$350,000
	Sabraton 16” Loop Connection	$200,000
	Miscellaneous Upgrades and Extensions	$400,000
2021	Van Voorhis Rd 12” Replacement	$300,000
	Miscellaneous Upgrades and Extensions	$700,000
2022	Jackson Street	$150,000
	Mont Cheateau	$350,000
	Misc. Upgrades and Extensions	$600,000

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MUB Sewer System – CIP.

Rates and charges for the Sewer System have been established that provide an annual budget of approximately $1,500,000 in internally generated funds for capital improvements. The capital improvement projects include a combination of renewal and replacement of collection lines, pumping and treatment structures, and major equipment. Anticipated Capital Improvements include;

Year	Project	Estimated Cost
2018	Dorsey's Knob Sewer System Update	$350,000
	Replace Excavator	300,000
	Upper Popenoe Run Sewer Upgrade	200,000
	Valley View Sewer Upgrade	250,000
	Miscellaneous Upgrades and Extensions	450,000
2019	Brookhaven Road Capacity Increase	$300,000
	Standard Street New VFD Equipment	150,000
	Vac Truck Replacement	300,000
	Airport Blvd Pump Station	150,000
	Miscellaneous Upgrades and Extensions	600,000
2020	Deckers Creek Interceptor MH replacement and Lining	$1,300,000
	Miscellaneous Upgrades and Extensions	200,000
2021	Deckers Creek Interceptor Tide Gate Installation	$200,000
	Orchard Crossing Upgrade	200,000
	Replace 4 Dump trucks	400,000
	Mon Interceptors Tide Gate Installation	300,000
	Miscellaneous Upgrades and Extensions	400,000
2022	CSO Screen Installation	$300,000
	Miscellaneous Upgrades and Extensions	1,200,000

MUB Stormwater System – CIP.

Rates and charges for the Stormwater System have been established that provide an annual budget of $75,000 in internally generated funds for capital improvements. The capital improvement projects include a combination of renewal and replacement of stormwater conveyance and management facilities. Anticipated Capital Improvements include;

Year	Project	Estimated Cost
2018	Misc. Upgrades and Extensions*	$75,000
2019	Misc. Upgrades and Extensions	$75,000
2020	Misc. Upgrades and Extensions	$75,000
2021	Misc. Upgrades and Extensions	$75,000
2022	Misc. Upgrades and Extensions	$75,000

* Does not include the Project

DEBT SERVICE REQUIREMENTS

Existing Long-Term Debt of the Combined Utility System

Pursuant to the Act, all debt secured by the Gross Revenues of the Combined Utility System has a lien on the Gross Revenues of the Water System, the Sewer System and the Stormwater System and are known as "Combined Utility System Revenue Bonds," denoting the lien on the "combined" system. The following outstanding debt is secured by the Gross Revenues of the Combined Utility System, on a parity with the Series 2018 B Bonds:

Bond Issue	*Issue Date*	*Project*	*Original Issue Amount*	*Balance June 1, 2018*	*Approximate Annual Debt Service*	*Final Maturity*
2018 A	1/31/2018	Rockley Road Water Project	$394,074	$25,500	$12,214	12/2057
2017 A	12/21/2017	Stormwater Improvements	$2,695,000	$2,695,000	$149,512	10/2047
2016 B-1	12/1/2016	Star City WWTP Project	$25,000,000	$5,139,890	$978,100	09/2046
2016 A	12/1/2016	Star City WWTP Project	$69,755,000	$68,615,000	$4,232,900	12/2046
2015 E	6/11/2015	Sewer System Extension	$662,300	$624,329	$16,876	06/2055
2015 D	3/31/2015	Assume Scotts Run PSD Sewer Bonds	$1,688,394	$1,390,422	$44,144	12/2049
2015 C	3/31/2015	Assume Scotts Run PSD Sewer Bonds	$8,111,813	$5,390,067	$213,468	09/2043
2015 B	3/31/2015	Assume Scotts Run PSD Sewer Bonds	$4,586	$1,646	$117	10/2031
2015 A	3/31/2015	Assume Scotts Run PSD Sewer Bonds	$137,568	$94,319	$3,415	10/2031
2014 B	7/13/2014	Stormwater Improvements	$505,421	$431,848	$19,529	08/2034
2013 A	8/22/2013	Assume Canyon PSD Sewer Bonds	$4,605,260	$3,947,360	$131,580	06/2048
2012 A	8/24/2012	Water System Extension	$570,000	$494,350	$17,855	03/2044
2010 F	1/28/2010	Water Treatment Plant Improvements	$7,250,000	$1,115,000	$1,050,000	12/2018
2010 E	1/28/2010	Water System Improvements	$100,000	$75,211	$4,429	09/2032
2010 D	1/28/2010	Water System Improvements	$9,317,286	$7,007,585	$412,639	09/2032
2010 C	1/28/2010	Sewer System Improvements	$15,380,227	$11,567,560	$681,151	09/2032
2010 A	1/28/2000	Water Treatment Plant Upgrade	$37,950,000	$37,950,000	$2,280,000	12/2040
2007 A	8/14/2007	Stormwater Improvements	$8,500,000	$5,227,654	$416,759	06/2029
2006 A	6/30/2006	Star City WWTP Secondary Clarifier	$6,410,191	$3,523,749	$309,012	06/2028
2000 B	2/29/2000	Cheat Lake Wastewater Treatment Plant	$2,488,000	$1,407,647	$65,476	12/2039
2000 A	2/29/2000	Cheat Lake Wastewater Treatment Plant	$7,842,000	$2,506,195	$323,380	03/2026
			$209,367,120	**$159,230,332**	**$11,362,556**	

In addition to the Combined Utility System Revenue Bonds outlined above, the Issuer anticipates the issuance of Combined Utility Systems Revenue Bonds, Series 2018 A-2 (West Virginia Infrastructure Fund), in July, 2018, to finance unanticipated construction costs associated with the Rockley Road Water Project, as further hereinafter described. See "**Future Bond Issues** – Rockley Road Water Project."

See "OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM – Prior Bonds" herein.

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MUB Combined Utility System – Aggregate Debt Service Table

The table below sets for the anticipated aggregate debt service for the Prior Bonds and the Series 2018 B Bonds.

Fiscal Year (Ending June 30)	Debt Service On Prior Bonds	Series 2018 B	Total
2018	$11,864,854	$ -	$
2019	11,859,495	-	
2020	11,844,800	-	
2021	11,829,675	-	
2022	11,808,297	-	
2023	11,785,755	-	
2024	11,756,075	-	
2025	11,728,901	-	
2026	11,627,975	-	
2027	11,352,642	-	
2028	11,322,492	-	
2029	11,844,644	-	
2030	10,321,727	-	
2031	10,288,292	-	
2032	10,247,334	-	
2033	9,060,680	-	
2034	8,644,738	-	
2035	8,568,124	-	
2036	8,520,479	-	
2037	8,469,725	-	
2038	8,420,471	-	
2039	8,366,047	-	
2040	8,280,712	-	
2041	8,191,499	-	
2042	5,579,608	-	
2043	5,581,458	-	
2044	5,412,137	-	
2045	5,343,040	-	
2046	5,345,966	-	
2047	4,637,776	-	
2048	192,589	-	
2049	61,012	-	
2050	38,943	-	
2051	16,872	-	
2052	16,872	-	
2053	16,872	-	
2054	16,872	-	
2055	16,873	-	

MUB Combined Utility System Historical and Projected Coverage **

	2014	2015	2016	2017	2018*	2019*	2020*	2021*
Operating Revenues	$21,978,283	$22,842,087	$22,935,561	$33,758,062	$34,248,901	$34,541,342	$34,806,113	$35,084,470
Other Operating Revenues	488,258	470,265	445,763	526,357	425,177	425,177	425,177	425,177
Total Operating Revenues	**$22,466,541**	**$23,312,352**	**$23,381,324**	**$34,284,419**	**$34,674,078**	**$34,966,519**	**$35,231,290**	**$35,509,647**
Total O & M Expense	13,338,657	13,768,514	15,523,128	16,536,078	16,798,372	18,042,493	18,872,882	19,721,960
Depreciation Expense	8,050,420	8,398,878	8,692,352	8,710,463	9,341,447	9,959,944	12,357,773	13,593,550
Operating Income	**$1,077,464**	**$1,144,960**	**-$834,157**	**$9,037,878**	**$8,534,259**	**$6,964,082**	**$4,000,635**	**$2,194137**
Non-Operating Income	1,072,566	-128,103	1,001,638	1,145,543	941,384	941,384	941,384	941,384
Available for Debt Service	**$10,200,450**	**$9,415,735**	**$8,859,834**	**$18,893,884**	**$18,817,090**	**$17,865,410**	**$17,299,792**	**$16,729,071**
Debt Service Requirement	$6,990,740	$7,230,075	$7,300,490	$9,912,177	$14,090,231	$14,084,901	$14,073,554	$14,073,554
Coverage	**1.46x**	**1.30x**	**1.21x**	**1.91x**	**1.34x**	**1.27x**	**1.23x**	**1.19x**

* The projected coverage calculations are Preliminary and Subject to Change as these calculations include the anticipated annual debt service on the Series 2018 B Bonds.

** Prepared by the Morgantown Utility Board

Method of Accounting

The accounts of the Water System, Sewer System and Stormwater System are organized on the basis of fund accounting as enterprise funds. With respect to operating revenues and expenses, the MUB accounts are maintained in accordance with generally accepted accounting principles. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF MORGANTOWN UTILITY BOARD FOR FISCAL YEAR ENDED JUNE 30, 2017" herein.

OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM

Prior Bonds

The Issuer has outstanding the following bonds which will rank on a parity with the Series 2018 B Bonds as to liens, pledge, source of and security for payment from the Gross Revenues derived from the Combined Utility System, as follows:

(1) Combined Utility System Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of $7,842,000 (the "Series 2000 A Bonds");

(2) Combined Utility System Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of $2,488,000 (the "Series 2000 B Bonds");

(3) Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of $6,410,191 (the "Series 2006 A Bonds");

(4) Combined Utility System Revenue Bonds, Series 2007 A (West Virginia SRF Program), of the Issuer, dated August 14, 2007, issued in the original aggregate principal amount of $8,500,000 (the "Series 2007 A Bonds");

(5) Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $37,950,000 (the "Series 2010 A Bonds");

(6) Combined Utility System Revenue Bonds, Series 2010 C (West Virginia SRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $15,380,227 (the "Series 2010 C Bonds");

(7) Combined Utility System Revenue Bonds, Series 2010 D (West Virginia DWTRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $9,317,286 (the "Series 2010 D Bonds");

(8) Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 E Bonds");

(9) Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $7,250,000 (the "Series 2010 F Bonds");

(10) Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, dated August 24, 2012, issued in the original aggregate principal amount of $570,000 (the "Series 2012 A Bonds");

(11) Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated August 22, 2013, issued in the original aggregate principal amount of $4,605,260 (the "Series 2013 A Bonds");

(12) Combined Utility System Revenue Bonds, Series 2014 B, of the Issuer, dated July 13, 2014, issued in the original aggregate principal amount of $505,421 (the "Series 2014 B Bonds");

(13) Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of $137,568 (the "Series 2015 A Bonds");

(14) Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of $4,586 (the "Series 2015 B Bonds");

(15) Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of $8,111,813 (the "Series 2015 C Bonds");

(16) Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of $1,688,394 (the "Series 2015 D Bonds");

(17) Combined Utility System Revenue Bonds, Series 2015 E (West Virginia SRF Program), of the Issuer, dated June 11, 2015, issued in the original aggregate principal amount of $662,300 (the "Series 2015 E Bonds");

(18) Combined Utility System Revenue Bonds, Series 2016 A, of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $69,755,000 (the "Series 2016 A Bonds");

(19) Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), of the Issuer, dated December 15, 2016, issued in the original aggregate principal amount of $25,000,000 (the "Series 2016 B-1 Bonds");

(20) Combined Utility System Revenue Bonds, Series 2017 A (Bank Qualified), dated December 21, 2017, issued in the original aggregate principal amount of $2,695,000 (the "Series 2017 A Bonds"); and

(21) Combined Utility System Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), dated January 31, 2018, issued in the original aggregate principal amount of $394,074 (the "Series 2018 A Bonds").

The Series 2000 A Bonds, Series 2000 B Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 A Bonds, Series 2016 B-1 Bonds, Series 2017 A Bonds and Series 2018 A Bonds are hereinafter collectively called the "Prior Bonds." The ordinances which authorized the issuance of the Prior Bonds, as supplemented, are herein collectively referred to as the "Prior Ordinances." As of June 1, 2018, the Prior Bonds are outstanding in the aggregate principal amount of $159,230,332. See chart contained in "DEBT SERVICE REQUIREMENTS – Existing Long-Term Debt of the Combined Utility System" herein.

The Issuer also has outstanding is Combined Utility System Revenue Bonds, Series B-2 (West Virginia SRF Program/Green), dated December 15, 2016, issued in the original aggregate principal amount of $500,000 (the "Series 2016 B-2 Bonds") the repayment of which is not secured by the Gross Revenues of the System. The outstanding principal amount of the Series 2016 B-2 Bonds which is advanced in each Fiscal Year is forgiven by the holder of the Series 2016 B-2 Bonds on the last day of such Fiscal Year. The Series 2016 B-2 Bonds do not bear any interest.

Future Bond Issues

The Issuer and MUB anticipate the issuance of bonds on a parity with the Series 2018 B Bonds in the future. Such future bond issues include, but will not be limited to, Additional Parity Bonds to finance the following projects which are in various stages of planning or commitment:

Rockley Road Water Project.

The Series 2018 A Bonds were issued for the purpose of financing the design, acquisition, construction and equipping of a potable water line extension to serve approximately 20-25 new customers along Rockley Road in an unincorporated area of Monongalia County outside the corporate limits of the Issuer (the "Rockley Road Water Project"). Following the issuance of the Series 2018 A Bonds, a rock slide along the proposed route of the Project increased the construction costs of the Rockley Road Water Project. The additional construction costs will be financed in part through the issuance by the Issuer of its Combined Utility System Revenue Bonds, Series 2018 A-2 (West Virginia Infrastructure Fund) in the aggregate principal amount of $140,715. The remaining additional construction costs of the Rockley Road Water Project will be financed through a grant from the West Virginia Infrastructure and Jobs Development Council in the amount of $140,714. While the Series 2018 A-2 Bonds will be issued with a lien on the Gross Revenues of the Combined Utility System on a parity with the Prior Bonds and the Series 2018 B Bonds, each of the new Water System customers served by the Rockley Road Water Project will pay a monthly surcharge, in addition to existing rates and charges of the Water System, which will be sufficient, along with the monthly surcharges paid by the other new Water System customers served by the Rockley Road Water Project, to pay the principal of, and interest on, the Series 2018 A Bonds and the Series 2018 A-2 Bonds. The Series 2018 A-2 Bonds are anticipated to be issued in July, 2018.

Acquisition of River Road PSD

In early 2018, MUB received a request from River Road PSD to acquire the River Road Water System. As consideration for the acquisition, the Issuer will assume the existing debt of River Road PSD which is secured by the River Road Water System, as described below:

(1) Water Revenue Bonds, Series 2001 (West Virginia DWTRF Program), dated October 25, 2001, issued in the original aggregate principal amount of $1,068,500 and presently outstanding in the amount of $264,009 (as of 4/30/2018); and

(2) Water Revenue Bonds, Series 2016 A (West Virginia DWTRF Program), dated August 11, 2016, issued in the original aggregate principal amount of $2,546,000 and presently outstanding in the amount of $2,500,307 (as of 4/30/2018) (collectively, the "River Road Bonds").

The assumption of the River Road Bonds will occur through the issuance by the City of two separate series of Combined Utility System Revenue Bonds in the outstanding principal amounts of, and with the existing terms of, the River Road Bonds, which will be on a parity with the Bonds. MUB's acquisition of the River Road Water System must be approved by the Public Service Commission of West Virginia, as well as the West Virginia Water Development Authority as the holder of the River Road Bonds. If the acquisition of the River Road System does occur, MUB anticipates that the transaction will close in the first half of 2019.

STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES

State Utility Regulation

Public water and sewer utilities in West Virginia are subject to regulatory review by the PSC. Public municipal stormwater facilities are not subject to PSC regulation. Pursuant to state legislation which became effective in June 2015, and subsequently further clarified by state legislation effective in June 2017 (collectively, "Senate Bill 234"), the scope of PSC authority over larger public water and sewer utilities such as MUB was reduced. As a result of Senate Bill 234, MUB was exempted from PSC regulation and approval of, among other things:

1. Amendments and modifications to rates and charges of the Water System and the Sewer System; and

2. The requirement to obtain prior PSC approval for construction of capital projects which are outside "the normal course of business."

The authority of the PSC over large public water and sewer utilities, however, has been effectively enlarged by a recent court decision. Specifically in SWVA v. Huntington Sanitary Board, *et. al.*, Case Number 17-0120 (Memorandum Decision, November 14, 2017), the Supreme Court of Appeals of West Virginia held, among other things, that the PSC retains jurisdiction over, and is the proper venue for, complaints by customers of such large public water and sewer utilities for failure to satisfy statutorily mandated public notice requirements for approval by City Council of (1.) amendments and modifications of rates and charges for public water and public sewer systems; and (2.) construction of projects for public water and/or sewer systems which are outside of "the normal course of business." Accordingly, while the changes to the state regulatory structure through Senate Bill 234 result in significant savings of both time and expense for MUB when pursuing both rate increases and capital projects, SWVA v. Huntington Sanitary Board created some uncertainty regarding the extent to which the regulatory jurisdiction of the PSC has been reduced.

Senate Bill 234 provided specific protection to bondholders. Specifically, West Virginia Code Section 24-2-1(b)(8) was amended by Senate Bill 234 to provide as follows:

> In the event that a political subdivision has a deficiency in either its bond revenue or bond reserve accounts, or is otherwise in breach of a bond covenant, the bondholder may petition the public service commission for such redress as will bring the accounts to current status or otherwise resolve the breached covenant, and the commission shall have jurisdiction to fully resolved the alleged deficiency or breach.

Neither the Issuer or MUB is aware that any bondholder has petitioned the PSC for relief pursuant to this specific authority since it became effective on June 12, 2015.

Rate Setting and Project Approval Process

The PSC retains authority to investigate and resolve: (i) disputes between MUB and the Resale Customers regarding rates, fees and charges for the Water System and Sewer System; and (ii) complaints by MUB customers regarding the PSC's exercise of powers enumerated in Chapter 24, Article 2, Section 1(b) of the Code of West Virginia, 1933. Moreover, the PSC regulatory oversight includes regulation of measurements, practices, acts or service of MUB, regulation of MUB's system of accounts, regulation of MUB's submission of tariffs, adjudication of service territory disputes, and certain agreements between utilities.

The Council of the City has the authority to implement rates and charges for the Combined Utility System through the enactment of a Rate Ordinance. Such rates and charges are required by the Act to be sufficient at all times to: (i) provide for the payment of interest on all bonds issued pursuant to the Act and to create a sinking fund to pay the principal of such bonds as and when the same becomes due, and reasonable reserves therefore; (ii) provide for the repair, maintenance and operation of the systems; (iii) provide an adequate revenue and replacement fund; and (iv) make any other payments required or provided for in the applicable bond ordinance. The Act provides that rates and charges established by municipally operated combined utility systems shall be just, reasonable, applied without unjust discrimination or preference and based primarily on the costs of providing service. Under the Act, a municipality is required to maintain a "working capital reserve" for its respective water, sewerage and stormwater systems in an amount of no less than one-eighth (12.5%) of its actual annual operation and maintenance expense, which amount must be separate and distinct from and in addition to any renewal and replacement fund.

Enactment of a Rate Ordinance by City Council requires a minimum of four to six weeks, including pre-enactment notice of the proposed increased rates and charges. The Council of the City must have two readings of a Rate Ordinance, separated by fourteen (14) days, with a public hearing prior to the second reading. Pre-enactment notice of the proposed rates and charges must be provided to the City's customers with the billing statement in the month prior to the first reading of a Rate Ordinance. Once enacted by the City, the proposed rates and charges are subject to investigation by the PSC upon the filing of a complaint by any one of the Resale Customers of the portion of the Combined Utility System for which such rates and charges are being modified. Resale Customers have no statutory timeframe following the enactment of a Rate Ordinance within which they must file a complaint, nor does the PSC have a statutory time frame within which to render a decision on such a complaint. As explained in the previous section, the decision in SWVA v. Huntington Sanitary Board clarified that any customer may bring a complaint at the PSC alleging, at a minimum, failure of the City Council to follow statutorily mandated notice requirements related to the Rate Ordinance.

The Council of the City also must approve capital projects for the Combined Utility System which are not in the "normal course of business" through the enactment of a project ordinance (a "Project Ordinance"). Enactment of a Project Ordinance requires a minimum of four to six weeks, including pre-enactment notice of the proposed capital project and any change in rates and charges associated with the capital project. The Council of the City must have two readings of a Project Ordinance, separated by fourteen (14) days, with a public hearing prior to the second reading. Pre-enactment notice of the capital project and any associated charge in rates and charges must be provided to the City's customers with the billing statement in the month prior to the public hearing on a Project Ordinance. Approval by the Council of the City of a Project Ordinance cannot go into effect any sooner than 45 days after the date of enactment of a Project Ordinance. As explained in the previous section, the decision in SWVA v. Huntington Sanitary Board clarified that any customer may bring a complaint at the PSC alleging, at a minimum, failure of the City Council to follow statutorily mandated notice requirements related to a Project Ordinance, or a determination that a particular project is "in the normal course of business" and, thus, a Project Ordinance is not required.

MUB Rate History and Comparison

The table below shows the recent rate history of MUB. MUB does not have a policy of regularly pursuing rate increases on a pre-determined schedule.

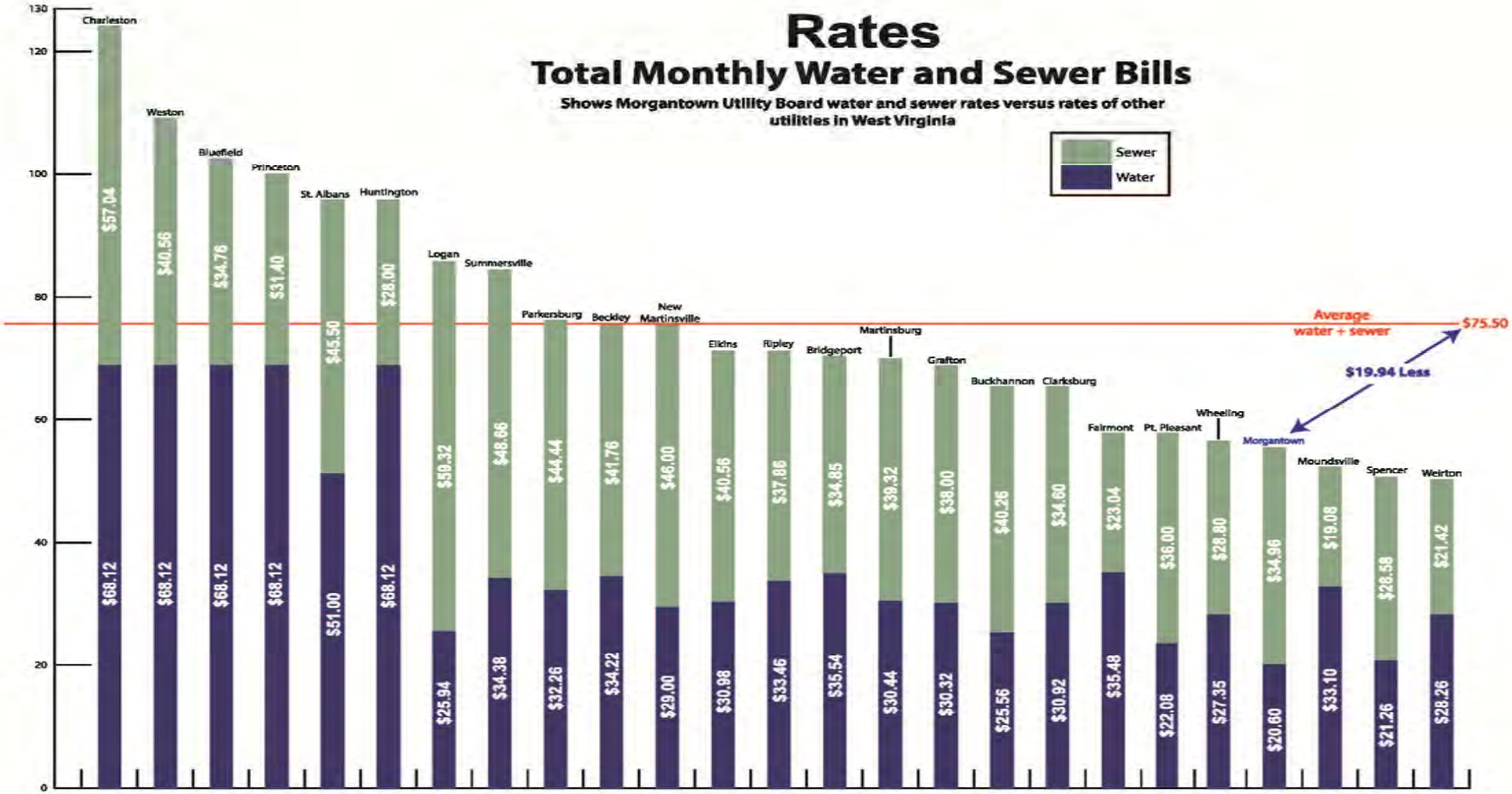
Morgantown Water				Morgantown Sewer				Cheat Sewer			
	Bill Amount (in Gallons)		Percent		Bill Amount (in Gallons)		Percent		Bill Amount (in Gallons)		Percent
Date	4,500	200,000	Increase	Date	4,500	200,000	Increase	Date	4,500	200,000	Increase
12/19/1992	$5.92	$186.96		12/19/1992	$12.03	$487.90		2/7/1995	$12.96	$576.00	
1/20/2005	$7.65	$242.94	29%	1/20/2005	$12.77	$504.30	6%	1/1/2001	$37.50	$1,281.50	189%
9/28/2005	$8.03	$253.10	5%	9/28/2005	$13.83	$561.20	8%	7/1/2014	$46.50	$1,589.06	24%
10/4/2008	$8.98	$283.64	12%	11/22/2008	$15.48	$627.92	12%				
1/1/2012	$17.42	$586.40	94%	1/1/2012	$20.97	$839.60	35%				
7/1/2016	$23.18	$780.80	33%	7/1/2016	$39.33	$1,574.40	87.5%				

Most of MUB's rate increases have been initiated as a result of new projects and the need to increase revenues for project-related debt service. These project-related increases have also included additional new revenues to address increased O&M expenses. The need for general inflation-based rate increases is limited by several favorable factors, including:

- Sustained customer growth
- Sustained system growth by both system extensions and acquisitions
- Investment income
- Rents and leases
- Additional revenues earned by sale of contract services to the Resale Customers, including
    - Operation and Maintenance
    - Billing and collection

By aggressively managing the above, MUB maintains some of the lowest rates in the State. The table on the following page demonstrates the combined average water and sewer rates for residents of 25 municipalities including the Issuer, in West Virginia.

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* Prepared by MUB from information on file at West Virginia Public Service Commission

MUB Retail Customer Collection Process

The 10 year average of uncollectible accounts is less than 0.24% percent of invoices issued for utility services.

MUB employs a regimented collection protocol, including written reminder notices, text messages, and phone calls to customers with late accounts. Upon default, and pursuant to tariff and state law, MUB will physically terminate water service for a past due account. Reactivation of service occurs only upon full payment of the account and a deposit made as guarantee against future service billing. Pursuant to MUB policy and state law, MUB offers payment arrangements in hardship cases. No free service, however, is offered or provided to any customer, private or public.

New customers must provide a security deposit before service is provided. The deposit is held for a minimum of 1 year and, if the account is and has been current, it is returned as a credit on a bill. In the case of unpaid final bill balances, with which there is no active customer account, the accounts are referred to a third party collection agency 30 days after the bill is past due.

MUB Retail Customer Uncollectible Accounts

FYE (ending June 30)	Water	Morgantown Sewer	Cheat Sewer	Storm	Total	% of Total Revenues	Total Revenues
2017	$24,348	$22,411	$3,472	$3,029	$53,260	0.16%	$33,758,062
2016	$20,866	$21,929	$1,931	$3,394	$48,120	0.21%	$23,145,261
2015	$25,958	$30,273	$1,917	$3,530	$61,678	0.27%	$23,045,380
2014	$17,708	$24,400	$2,873	$4,498	$49,479	0.22%	$22,156,348
2013	$8,991	$18,039	$7,230	$10,764	$45,024	0.21%	$21,717,305
2012	$12,158	$19,189	$2,911	$5,673	$39,931	0.22%	$18,449,323
2011	$26,438	$17,729	$3,381	$4,101	$51,649	0.34%	$15,152,814
2010	$10,578	$16,845	$2,770	$3,544	$33,737	0.23%	$14,913,693
2009	$12,216	$17,504	$2,705	$3,378	$35,803	0.25%	$14,247,159
2008	$12,772	$15,290	$2,991	$3,246	$34,299	0.26%	$13,151,596

As demonstrated by the data above, following the significant water and sewer rate increases in 2016 to finance the 2016 Sewer System Project and the Project, MUB's uncollectible accounts actually decreased as a percentage of Total Revenues.

MUB Resale Customer Collection Process

The PSC has jurisdiction over collection issues between utilities. Accordingly, in the event that any of the Water Resale Customers or Sewer Resale Customers becomes delinquent, the PSC is the appropriate venue for MUB to seek redress. The PSC has the authority to order the rates of the customers of a Resale Customer increased and/or the imposition of a surcharge on the customers of the Retail Customer in order to assure the full payment to MUB. MUB does not have the ability to terminate service to any Resale Customer without PSC approval.

Pleasant Valley Public Service District, a water resale customer ("Pleasant Valley"), made only partial payments for its water purchases for a period of time including 2015 and 2016, culminating in 2016 with an arrearage to MUB of approximately $200,000. MUB filed a complaint case at the PSC, Case No. 16-0797-PWD-19A, seeking the imposition of rates and/or a surcharge upon the Pleasant Valley customers to repay the obligation to MUB. The case was decided in MUB's favor, and the PSC has ordered Pleasant Valley to establish both permanent and temporary rates sufficient so that the arrearage will be repaid over 24 months, and so that current amounts owed will be paid in full. Pleasant Valley's payments are currently in compliance with said Order.

LITIGATION

There is not now pending or, to the best of the Issuer's and MUB's knowledge, threatened any litigation restraining or enjoining the issuance or delivery of the Series 2018 B Bonds or questioning or affecting the validity of the Series 2018 B Bonds, the proceedings and authority under which they are to be issued, nor is the creation, organization, or existence of the Issuer or MUB being contested. Nor is there any litigation pending or, to the best of the Issuer's and MUB's knowledge, threatened which (i) in any manner questions the right of the MUB to operate the Combined Utility System or MUB's right to conduct its activities in accordance with the provisions of the Act and the Series 2018 B Ordinance, or (ii) if determined adversely to MUB, would have a material adverse impact on the financial condition of the Combined Utility System.

The Issuer and MUB are subject to a variety of suits and proceedings arising out of their ordinary course of operations, some of which may be adjudicated adversely to the Issuer or MUB. Any such litigation is of a routine nature which does not affect the right of the Issuer or MUB to conduct its business or the validity of the Issuer's obligations.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2018 B Bonds are subject to the unqualified approving opinion of Steptoe & Johnson PLLC, Bond Counsel, whose opinion will be delivered concurrently with the delivery, upon original issuance, of the Series 2018 B Bonds, substantially as set forth as "APPENDIX D – PROPOSED FORM OF BOND COUNSEL OPINION" herein. Steptoe & Johnson PLLC also serves as Disclosure Counsel to the Issuer and MUB. Certain legal matters will be passed upon for the Issuer by Steptoe & Johnson PLLC as special counsel to the Issuer. Certain legal matters will be passed on for MUB by its Counsel, Tim Stranko, PLLC. Jackson Kelly PLLC will pass upon certain matters as counsel for the Underwriters.

CONTINUING DISCLOSURE

The Issuer has agreed to an undertaking (the "Undertaking") for the benefit of the Registered Owners of the Series 2018 B Bonds to provide certain financial and operating information (the "Annual Financial Information") not later than the last day of the Fiscal Year (presently ending June 30) immediately following the end of the Issuer's Fiscal Year for which disclosure is due, commencing with the report for the Fiscal Year ending June 30, 2018, and to provide notice of the occurrence of enumerated events, all as further described in the Continuing Disclosure Agreement to be entered by the Issuer in substantially the form attached as "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT" herein. The Annual Financial Information and each notice of enumerated events is required to be filed electronically by DAC (defined in Appendix F), as dissemination agent on behalf of the Issuer, with the Electronic Municipal Markets Access system ("EMMA").

The continuing disclosure obligation is being undertaken by the Issuer to assist the Underwriters in complying with Rule 15c2-12 promulgated by the SEC. The Issuer has agreed to give notice in a timely manner to EMMA. However, any such failure will not constitute a default under the terms of the Series 2018 B Ordinance or the Series 2018 B Bonds. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. See "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT" herein. Registered Owners may contact the City Manager for more information. See "MISCELLANEOUS" herein.

Prior Continuing Disclosure Undertakings

The Issuer previously entered into continuing disclosure agreements with respect to certain of the Prior Bonds. Despite the existence of these prior continuing disclosure agreements and the Rule (as described above), the Issuer:

Failed to timely file Audited Financials for the Fiscal Years ended June 30, 2012, June 30, 2013, June 20, 2014 and June 30, 2015, and failed to timely file notices of failure to timely file such Audited Financials in each such instance;

Failed to timely file Operating Data for the Combined Utility System for the Fiscal Years ended June 30, 2011 and June 30, 2009, and failed to timely file notices of failure to timely file such Operating Data in each such instance; and

Failed to timely file notices of rating changes related to the insurer of the Issuer's Series 2010 A and Series 2010 F Bonds, and failed to timely file notices of failure to timely file notices of such rating changes in each such instance.

All such filings of Audited Financials and Operating Data, as well as material event notices, have been made as of the date hereof, as well as all notices of failure to timely make all such filings.

The Issuer has engaged DAC to serve as dissemination agent for the Series 2018 B Bonds, as well as the Series 2010 A Bonds, the Series 2010 F Bonds, the Series 2016 A Bonds and the Series 2017 A Bonds.

TAX MATTERS

General

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2018 B Bonds (i) is excludable from gross income of the holders thereof for federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Code; (ii) is not a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the federal alternative minimum tax imposed on individuals and corporations; provided, however, that interest on the Series 2018 B Bonds is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax that may be imposed on corporations; and (iii) under the laws of the State of West Virginia, the Series 2018 B Bonds are exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia. See West Virginia Code Section 8-20-5.

The opinions described in this section are subject to the condition that the Issuer complies on a continuing basis with all requirements of the Code, and regulations thereunder that must be satisfied for interest on the Series 2018 B Bonds to be or continue to be excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the interest on the Series 2018 B Bonds to be included in the gross income of the recipients thereof for purposes of federal income taxation, including retroactively to the date of issuance of the Series 2018 B Bonds.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Series 2018 B Ordinance and the Tax Certificate relating to the Series 2018 B Bonds permit certain actions to be taken or to be omitted if a favorable opinion of a bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest on any Series 2018 B Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Series 2018 B Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series 2018 B Bonds might be affected as a result of such an audit of the Series 2018 B Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Series 2018 B Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Series 2018 B Bonds or their market value.

Special Considerations with Respect to the Series 2018 B Bonds

The accrual or receipt of interest on the Series 2018 B Bonds may otherwise affect the federal income tax liability of the owners of the Series 2018 B Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Prospective purchasers should be aware of certain collateral consequences which may result under federal tax law for certain holders of the Series 2018 B Bonds: (i) Section 265 of the Code denies a

deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2018 B Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series 2018 B Bonds, (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for losses incurred by 15 percent of the sum of certain items, including interest on the Series 2018 B Bonds, (iii) interest on the Series 2018 B Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iv) passive investment income, including interest on the Series 2018 B Bonds, may be subject to federal income taxation under Section 1375 of the Code for an S Corporation that has Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such S Corporation is passive investment income, (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income receipts or accruals of interest on the Series 2018 B Bonds, and (vi) receipt of investment income, including interest on the Series 2018 B Bonds, may, pursuant to Section 32(i) of the Code, disqualify the recipient from obtaining the earned income credit provided by Section 32(a) of the Code.

Backup Withholding

Interest paid on tax-exempt obligations such as the Series 2018 B Bonds is generally required to be reported by payors to the IRS and to recipients in the same manner as interest on taxable obligations. In addition, such interest may be subject to "backup withholding" if the Bondholder fails to provide the information required on IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the Bondholder as being subject to backup withholding because of prior underreporting. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Series 2018 B Bonds from gross income for federal tax purposes.

Changes in Federal and State Tax Law

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Series 2018 B Bonds, including legislation, court decisions, or administrative actions, whether at the federal or state level, may affect the tax exempt status of interest on the Series 2018 B Bonds or the tax consequences of ownership of the Series 2018 B Bonds. No assurance can be given that future legislation, if enacted into law, will not contain provisions which could directly or indirectly reduce the benefit of the exclusion of the interest on the Series 2018 B Bonds from gross income for federal income tax purposes or any state tax benefit. Tax reform proposals and deficit reduction measures, including the limitation of federal tax expenditures, are expected to be under ongoing consideration by the United States Congress. These efforts to date have included proposals to reduce the benefit of the interest exclusion from income for certain holders of tax-exempt bonds, including bonds issued prior to the proposed effective date of the applicable legislation. Future proposed changes could affect the market value or marketability of the Series 2018 B Bonds, and, if enacted, could also affect the tax treatment of all or a portion of the interest on the Series 2018 B Bonds for some or all holders. Holders should consult their own tax advisors with respect to any of the foregoing tax consequences.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2018 B Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2018 B Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2018 B Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2018 B Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

[Original Issue Discount

Original issue discount ("OID") is the excess, if any, of the stated redemption price at maturity over the issue price. The issue price is the initial offering price to the public, excluding underwriter and other intermediaries, at which price a substantial amount of the debt instrument was sold. The Series 2018 B Bonds maturing on _____ 1, 20__, _____ 1, 20__ and _____ 1, 20__ (the "Series 2018 B Discount Bonds"), were sold with OID. For federal income tax purposes, OID accrues to the owner of a Series 2018 B Discount Bond over the period to maturity based on the constant yield method, compounded annually (or over a shorter permitted compounding interval selected by the owner). The portion of the OID that accrues during the period of ownership of a Series 2018 B Discount Bond (i) will be interest excludable from the owners' gross income for federal income

tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2018 B Bonds, and (ii) will be added to the owner's tax basis for purposes of determining a gain or loss on the maturity, redemption, prior sale or other disposition of that Series 2018 B Discount Bond. A purchaser of a Series 2018 B Discount Bond in the initial public offering at the price for that Discount Bond stated on the inside front cover page of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Series 2018 B Discount Bond.

Owners of Series 2018 B Discount Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID properly accruable in any period with respect to the Series 2018 B Discount Bonds as to other federal tax consequences, and the treatment of the OID for purposes of state and local taxes on, or based on, income.]

[Original Issue Premium

The Series 2018 B Bonds maturing on _____ 1, 20__, _____ 1, 20__ and _____ 1, 20__ (the "Series 2018 B Premium Bonds") were sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity in the case of the "Noncallable Series 2018 B Premium Bonds" or their earlier call date in the case of the "Series 2018 B Callable Premium Bonds." The difference between the principal amount payable at maturity of the Series 2018 B Noncallable Premium Bonds and the tax basis of a Noncallable Premium Bond to a purchaser and the difference between the amount payable at the call date of the Callable Series 2018 B Premium Bonds that minimizes the yield to a purchaser of a Callable Premium Bond and the tax basis to a purchaser (in either case, other than a purchaser who holds a Series 2018 B Premium Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) will be "bond premium." For federal income tax purposes, bond premium is amortized over the period to maturity of a Noncallable Series 2018 B Premium Bond. A purchaser of a Series 2018 B Premium Bond will be required to decrease his or her adjusted basis in the Series 2018 B Premium Bond by the amount of amortizable bond premium attributable to each taxable year he or she holds the Premium Bond. The amount of amortizable bond premium attributable to a taxable year will be determined at a constant interest rate compounded annually. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Series 2018 B Premium Bond.

Owners of Series 2018 B Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of bond premium properly accruable in any period with respect to the Series 2018 B Premium Bonds as to other federal tax consequences, and the treatment of the bond premium for purposes of state and local taxes on, or based on, income.]

RATINGS

[Based on the Series 2018 B Insurance Policy issued by BAM, S&P Global Rating Services, a division of the McGraw Hill Companies, Inc. ("S&P") is expected to assign a rating of "AA" (stable outlook) to the Series 2018 B Bonds and Moody's Investor Services ("Moody's") is expected to assign a rating of BAM to the Series 2018 B Bonds.]

S&P and Moody's have assigned the Series 2018 B Bonds underlying ratings of "A+" (stable outlook) and "A1", respectively.

The Issuer did not apply for any other ratings related to the Series 2018 B Bonds.

Each such rating reflects only the views of such rating agency. Any desired explanation of the significance of such rating should be obtained from S&P. Certain information and materials not included in this Official Statement were furnished by the Issuer to S&P. There is no assurance either of these ratings will continue for any period of time or that the rating will not be reviewed, downgraded or withdrawn entirely if, in the judgment of S&P circumstances so warrant. The Underwriters have undertaken no responsibility to bring to the attention of the Bondholders any proposed revision or withdrawal of the ratings of the Series 2018 B Bonds or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of a rating could have an adverse effect on the market price of the Series 2018 B Bonds.

UNDERWRITING

The Series 2018 B Bonds are being purchased by the Underwriters named on the cover of this Official Statement. The Bond Purchase Agreement provides that the Underwriters will purchase all the Series 2018 B Bonds, if any are purchased, at a purchase price equal to the initial public offering prices set forth on the cover page hereof less an Underwriters' discount of $_____, [plus/minus net original issue premium/discount of $_____]. The obligation to make such purchase is subject to the terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel. The Underwriters may change the initial public offering prices from time to time. The Underwriters may offer and sell Series 2018 B Bonds to certain dealers (including dealers depositing Series 2018 B Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof, and such public offering price also may be changed without prior notice, from time to time, by the Underwriters.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the course of their various business activities, the Underwriters and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of MUB directly, as collateral securing other obligations or otherwise and/or persons and entities with relationships with MUB. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

FINANCIAL ADVISOR

The Issuer and MUB have retained PFM Financial Advisors LLC as Financial Advisor. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

FINANCIAL STATEMENTS

Included herein as Appendix B are the audited financial statements (and reports with respect thereto) of the Morgantown Utility Board as of June 30, 2017. The financial statements have been included herein in reliance upon the reports of the preparers thereof as experts in auditing and accounting. MUB has obtained the consent of Perry & Associates, Certified Public Accountants, A.C. to publish the audited financial statements with this Official Statement.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract or agreement with the purchasers or owners of the Series 2018 B Bonds.

Copies of the Series 2018 B Ordinance, the Undertaking, the Act and other applicable documents may be obtained from the Issuer at the following address:

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

or, during the period of offering the Series 2018 B Bonds, from the Underwriters. Ongoing financial information may be obtained from the Issuer at the address set forth above or EMMA.

This Official Statement has been duly approved and its execution and distribution authorized by the Issuer and MUB.

THE CITY OF MORGANTOWN (WEST VIRGINIA)

By: _____
Mayor

MORGANTOWN UTILITY BOARD

By: _____
Chairman

APPENDIX A

THE CITY OF MORGANTOWN (WEST VIRGINIA)
ECONOMIC AND DEMOGRAPHIC DATA

General

The City of Morgantown is the County seat of Monongalia County, located along the Monongahela River and close to the Pennsylvania border, in north central West Virginia. Morgantown is home to West Virginia University, the largest institution of higher education in the State with an annual enrollment of approximately 28,776 students and is the medical, cultural, and commercial hub of the region. The full-time population in Morgantown is estimated at 30,000.

Morgantown and Monongalia County offer "Mountains of Opportunity" for business development and expansion. This is one of the major growth areas in the State. Monongalia County has been one of the fastest growing counties in the State over the last two decades.

Morgantown and Monongalia County have consistently experienced some of the lowest unemployment rates in the State. Major employers in the City include the National Institute of Occupational Safety and Health (NIOSH), Mylan Pharmaceuticals, and West Virginia University.

One-half of the population of the United States, and one-third of the population of Canada, is located with 500 miles of Morgantown. Morgantown is one day's drive from 6 of the 8 largest U.S. metropolitan areas, 20 metro areas with populations of 1 million or more, and 22 of the nation's top 35 industrial markets.

City Government

The City of Morgantown is governed by a City Manager-Council form of government, which was adopted in the City Charter in 1977.

Council member terms are two years in duration, with members being voted onto council for each of seven wards. The terms of council members are not staggered; thus all seven council seats are up for election every two years. Prospective council members must be sponsored by 75 registered voters from their ward to be placed on the election ballot. Once on the ballot, council members are elected by all voters of the City. The Mayor is elected from the members of council, by the council members, every two years.

The current Mayor and members of the council are as follows:

MEMBER	TERM EXPIRES
Bill Kawecki, Mayor	June 30, 2019
Rachel Fetty	June 30, 2019
Ryan Wallace	June 30, 2019
Jennifer Selin	June 30, 2019
Ron Dulaney, Jr.	June 30, 2019
Mark Brazaitis	June 30, 2019
Barry Lee Wendell	June 30, 2019

Population

The population of The City of Morgantown for the last decade is set forth below:

Year	Population	Year	Population
2010	28,984	2015	30,708
2009	30,333	2014	31,073
2008	29,639	2013	30,666
2007	29,308	2012	30,273
2006	29,217	2011	29,860

Source: U.S. Census Bureau

The total population for The City of Morgantown and Monongalia County from 1970 to 2010 are as follows

Year	Morgantown	Monongalia County	Area*
1970	29,431	63,714	N/A
1980	27,605	75,024	410,500
1990	28,280	75,645	381,100
2000	26,697	81,907	394,897
2010	28,984	96,776	

*Represents Monongalia County and six contiguous counties including Fayette County and Greene County in Pennsylvania and Marion County, Preston County, Taylor County and Wetzel County, West Virginia.

Additional Information on Monongalia County for 2010 includes:

Population	96,776
Households	43,238
Persons per Household	2.24

Transportation and Location

The City of Morgantown is served by the following:

Highways:
I-79 and I-68; U.S. 19 and 119; WV 7, 100 and 218

Transit:
Greyhound Bus Lines; Mountain Line (city/county transit); WVU Personal Rapid Transit

Transit Railroads:
Norfolk-Southern Railroad offers daily freight service.

Air:
Morgantown Municipal Airport (Hart Field) offers daily commuter service to Pittsburgh via US Air Express. Pittsburgh International Airport is 80 miles north of Morgantown.

Water:
The Monongahela River is a navigable waterway with a nine-foot channel depth.

Highway Distances from Morgantown (miles)

City	Distance from Morgantown, WV (miles)
Baltimore, MD	212
Charleston, WV	156
Charlotte, NC	376
Chicago, IL	529
Cleveland, OH	201
Columbus, OH	205
New York, NY	379
Philadelphia, PA	313
Pittsburgh, PA	75
Washington, DC	209

Source: www.distance-cities.com

Education

The following chart shows the information for the types of schools and the number of each that are in Monongalia County for the school years 2014-2015:

Type of school	Public	Private
Elementary Schools (PK-6)	11	4
Middle Schools (varies 5-8)	5	5
High Schools (varies 7-12)	3	2
Technical Centers	1	0
Alternative Education	0	1

Source NCES, 2010-2011

The total public school enrollment for Monongalia County in 2014-2015 was 11,192 students. The combined graduation rate for 3 high schools was 90.7%. The pupil/teacher ratio is 15.2:1.

Source: NCES, WV SBA

Higher Education

West Virginia University ("WVU") is located in Morgantown and is the flagship institution of higher education in the State of West Virginia. A public land grant institution, WVU was founded in 1867. WVU has 135 colleges and schools that offer 191 bachelor, masters, doctoral and professional degree programs. WVU is a "Carnegie Research University" and as such, is one of the nation's top research universities.

Source: www.wvu.edu

Other post-secondary schools in the State include West Virginia Junior College in Morgantown, Fairmont State University in Fairmont, West Virginia; Salem International University in Salem, West Virginia and Waynesburg University in Waynesburg, Pennsylvania.

Libraries

The Morgantown Public Library System consists of the main facility in downtown Morgantown, as well as four branches located in the Cheat Lake Area, Clinton District, Clay-Battelle and Aull Center. One library card can be used throughout the entire Northern Library Network. Free public access to Internet terminals with word processing capabilities is available and the library system offers a wide variety of free day and evening programs.

The West Virginia University Library supports the teaching, research and service functions of WVU. The libraries contain close to 1.9 million History OnView website catalogs/volumes, 229 electronic databases and more than 45,000 online full-text journals, with access to 36 million volumes through a book-sharing consortium. In addition, the West Virginia University Library contains 40,000 historical photos. The libraries also subscribe to more than 5,000 print periodical titles and have access to more than 17,000 electronic journals. The library system includes five libraries: the Downtown Library Complex, the Libraries Depository, the Law Library, the Health Sciences Library and the Evansdale Library.
Source: www.wvu.edu

Health Care

Hospitals The Monongalia General Hospital is an accredited, community-based hospital providing a full range of inpatient, surgical, medical, outpatient, and emergency room services. As a 189-bed general hospital, Monongalia General Hospital is the flagship of Monongalia Health System (MHS), an integrated health care delivery system, which offers a full range of health care services. Monongalia General Hospital's web site is www.monhealth.com.

The Robert C. Byrd Health Sciences Center of West Virginia University offers a full range of health care, provided by WVU faculty physicians and associated professionals. Ruby Memorial Hospital is the largest facility in the WVU Hospitals family, which includes WVU Children's Hospital, a same-day surgery center, a skilled nursing unit, and the region's only Level 1 trauma center. Also on the health science campus are the Mary Babb Randolph Cancer Center, Chestnut Ridge psychiatric hospital, the Sleeth Family Medicine Center, and HealthSouth Mountainview Regional Rehabilitation Center. WVU also hosts a major facility of the National Institute for Occupational Safety and Health. The campus is home to the state's helicopter ambulance service and is served by a nearby Ronald McDonald House.

Health Clinics The following are health clinics located in and around Morgantown: Clay Battelle Community Health Center; Morgantown Orthopedic Associates, Inc.; WVU - Cheat Lake Medical Associates Center for Excellence in Disabilities; Community Medical Associates; Cheat Lake Urgent Care; Physicians Office Center; Monongalia County Health Department; Morgantown Ear, Nose and Throat Clinic; Valley Community Mental Health Center; Morgantown Health Right Clinic; VanVoorhis Family Practice Center.

Utilities

The following public utilities provide service in Morgantown:

Electric: Allegheny Power
Natural Gas: Dominion Hope, Mountaineer Gas Company
Water, Sewer, and Stormwater: Morgantown Utility Board

Employers
The top employers in The City of Morgantown and Monongalia County:

Employer
West Virginia University
West Virginia University Hospital
Mylan Pharmaceuticals, Inc.
Monongalia Board of Education
Monongalia General Hospital
Wal-Mart Stores, Inc.
WV University Medical Corporation (University Health Associates)
Gabriel Brothers, Inc.
Teletech Customer Care Management (WV) Inc.
The Kroger Company

Source: Workforce WV (March 2015)

Unemployment
The average annual percentage of unemployment rates is as follows:

Year	City of Morgantown	Monongalia County	West Virginia	United States
2008	3.4	2.7	4.3	7.3
2009	6.8	4.4	7.9	9.9
2010	6.1	5.5	9.1	9.3
2011	5.7	5.0	7.4	8.5
2012	5.4	4.8	7.3	7.9
2013	4.6	4.0	6.7	6.7
2014	3.7	3.7	5.9	5.6
2015	5.7	3.8	6.2	5.0
2016	4.7	4.5	5.7	4.9

Source: Workforce WV, U.S. Bureau of Labor Statistics

Taxes

Local Property Tax (2015 Tax Year): Rate on each $100 valuation. Valuation based on 60 percent of assessed valuation.

	Class I	**Class II**	**Class III & IV**
County	.5055	1.0110	2.0220
Morgantown	.6305	1.2610	2.5220

Source: West Virginia Auditor

Class III & IV: All other assets not in Class II -- most notably commercial and industrial property.

Municipal Business & Occupation Tax:
Charged to businesses located within the municipal boundaries of Morgantown, Westover, and Star City. The tax rates vary according to the type of business and the taxes are based on one hundred dollars of gross income. Contact the municipal B&O tax clerk for more specific information.

Local Sales Tax:
Municipalities have the authority, pursuant to the West Virginia Home Rule Program, to implement a sales tax of up to 1%. Morgantown has not implemented this tax.

State Sales Tax:
6 percent.

Local Income Tax:
There is no local or county income tax.

State Income Tax: Applicable to all taxpayers except married filing separate returns:

Taxable Income		**Tax Liability**		
Over	But Not Over		Plus	Of Excess Over
$0	$10,000	$0	3.0%	$0
10,000	25,000	300.00	4.0%	10,000
25,000	40,000	900.00	4.0%	25,000
40,000	60,000	1,575.00	6.0%	40,000
60,000		2,775.00	6.5%	60,000

Business Taxes: The state of West Virginia presently imposes two primary business taxes: the Corporate Net Income Tax and the Business Franchise Tax. The Corporation Net Income Tax rate is 8.5 percent of the federal taxable income of the corporation for the year. The Corporation Net Income Tax is being reduced in 2012 to 7.75 percent, in 2013 to 7 percent and in 2014 to 6.5 percent. The measure of the Business Franchise Tax is the net worth of the corporation or partnership as determined for federal income tax purposes. The tax is levied at the rate of 0.27 percent or $50, whichever is greater. The Business Franchise Tax is being phased out each year for the next three years. Three additional taxes are levied upon specialized industries. A Severance Tax is imposed on the production of natural resources. The Business and Occupation Tax, a gross receipts levy, is imposed upon public utilities and electric power producers.

THE CITY OF MORGANTOWN, WEST VIRGINIA

COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A (TAX EXEMPT)

BOND ORDINANCE

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Water Reservoir Project (Public Issue with IJDC Issue)

THE CITY OF MORGANTOWN, WEST VIRGINIA

AN ORDINANCE AUTHORIZING THE DESIGN ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE POTABLE WATER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

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

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

WHEREAS, under the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to design, acquire, construct and operate extensions, additions, betterments and improvements for the Combined Utility System;

WHEREAS, the Issuer has determined the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the raw water supply and storage, water treatment, treated water storage and distribution system for potable water (the “Potable Water System”), specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir, and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements of certain water treatment plant assets, distribution lines, pump stations and storage tanks, and all necessary appurtenances, as determined by the Board (collectively, the “Project”), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined to finance all or a portion of the costs of the Project through the issuance of its The City of Morgantown, Combined Utility System Revenue Bonds, Series 2017 A, in the aggregate principal amount of not more than $50,000,000 (the "Series 2017 A Bonds");

WHERESAS, the Issuer may finance a portion of the costs of the Project through the issuance of its The City of Morgantown, Combined Utility System Revenue Bonds, Series 2017 B (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $20,000,000 (the "Series 2017 B Bonds" and, collectively with the Series 2017 A Bonds, the "Series 2017 Bonds"), the issuance of which is authorized by the enactment by the City Council of the Issuer of an Ordinance contemporaneously herewith (the "Series 2017 B Ordinance");

WHEREAS, the Issuer has determined to enact this Ordinance to authorize the issuance of the Series 2017 A Bonds (the "Series 2017 A Ordinance"), such Series 2017 A Bonds to have such security and such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, Series 2017 A Bonds will be issued on a parity with the Series 2017 B Bonds (if issued), the Prior Bonds and any Additional Parity Bonds (as hereinafter defined) with respect to their lien on and security interest in the Gross Revenues of the Combined Utility System, and the Series 2017 A Bonds shall contain such other terms and provisions as are hereinafter provided, all in the manner set forth herein; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City that its Series 2017 A Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, hereinafter defined;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF MORGANTOWN HEREBY ORDAINS:

ARTICLE I
DEFINITIONS, STATUTORY AUTHORITY, FINDINGS

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

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2017 A Bonds.

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

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

"Board" shall mean The City of Morgantown Utility Board, created by an ordinance of the Issuer, or any successor thereto, the authorized officer for which is the Board's General Manager.

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

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

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

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2017 A Bonds, shall initially mean the bond insurer, if any, named in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Series 2017 A Bonds.

"Bond Year" means with respect to each series of Series 2017 A Bonds the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2017 A Bonds, the Series 2017 B Bonds (if issued), the Prior Bonds and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2017 A Bonds in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS," attached hereto.

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

"City Clerk" or "Clerk" means the City Clerk of the Issuer.

"City Manager" means the City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2017 A Bonds for the proceeds representing the original purchase price thereof.

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

"Combined Utility System" means, collectively, the Potable Water System, the Sewer System and the Stormwater System of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, betterments and improvements hereafter acquired, constructed and/or equipped for the Potable Water System, the Sewer System or the Stormwater System, both within, and outside of, the Issuer's corporate boundaries.

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

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

"Costs," "Costs of the Project" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation those costs set forth in Section 1.02C.

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

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

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

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

"DTC-eligible" means, with respect to the Series 2017 A Bonds, meeting the qualifications prescribed by DTC.

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

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

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

"Government Obligations" shall have the meaning set forth in the Supplemental Resolution.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the Combined Utility System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" include any gains from the sale or other

disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments, as hereinafter defined) or any Tap Fees (as hereinafter defined).

"Independent Certified Public Accountant" means the West Virginia State Tax Department or any licensed Certified Public Accountant or firm of licensed Certified Public Accountants that shall at any time hereafter be retained by the Issuer or the Board to prepare an independent annual or special audit of the accounts of the Combined Utility System or for any purpose except keeping the accounts of said Combined Utility System in the normal operations of its business and affairs, and specifically shall not include any Certified Public Accountant who is an employee of either the City or the Board.

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

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on then outstanding Bonds for the then current or any succeeding Fiscal Year.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by any Bond Insurer simultaneously with the delivery of the Series 2017 A Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2017 A Bonds, in accordance with the terms thereof.

“Municipal Bond Debt Service Reserve Insurance Policy” means a municipal bond debt service reserve policy and may subsequently mean, a letter of credit, surety bond or other financial instrument which is pledged to the Series 2017 A Bonds Reserve Account in the amount of the Series 2017 A Bonds Reserve Requirement.

"Net Proceeds" means the face amount of the Series 2017 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and less proceeds deposited in the Series 2017 A Bonds Reserve Account, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2017 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses (hereinafter defined).

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2017 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 2017 A Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the Combined Utility System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs, fees and expenses of the Combined Utility System, fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds,

taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Ordinance" or "Bond Ordinance" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by supplemental resolution.

"Original Purchaser" means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2017 A Bonds directly from the Issuer, as determined by a resolution supplemental hereto.

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

"Paying Agent" means, initially, the West Virginia Municipal Bond Commission and any other paying agent for the Series 2017 A Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

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

“Prior Bonds” means, collectively, the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2013 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 A Bonds and Series 2016 B-1 Bonds.

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

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

“Project” means the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the Potable Water System, specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements, as determined by the Board, of certain water treatment plant assets, distribution lines, pump stations and storage tanks and all necessary appurtenances.

"Purchase Price" for the purpose of computation of the Yield of the Series 2017 A Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2017 A Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2017 A Bonds of each maturity is sold or, if the Series 2017 A Bonds are privately placed, the price paid by the first buyer of the Series 2017 A Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2017 A Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2017 A Bonds.

"Qualified Investments" means and includes all investments permitted to be made by a municipality and political subdivision under the laws of the State, as enacted as of the date of enactment of this Bond Ordinance in West Virginia Code § 8-13-22a and 8-22-22a, as may be amended or modified from time to time. In the event that the laws of the State would cease to provide guidance on permissible investments, the last applicable law of the State shall control such investments.

"Record Date" means the date or dates which shall be so stated in the Series 2017 A Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

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

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2017 A Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

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

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

"Series 1995 Bonds" means the Combined Utility System Revenue Bonds, Series 1995 (West Virginia SRF Program), of the Issuer, dated April 27, 1995, issued in the original aggregate principal amount of $1,601,477.

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

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

"Series 2001 A Bonds" means the Combined Utility System Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer, dated February 8, 2001, issued in the original aggregate principal amount of $3,812,470.

"Series 2006 A Bonds" means the Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of $6,410,191.

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

"Series 2010 A Bonds" means the Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $37,950,000.

"Series 2010 B Bonds" means the Combined Utility System Revenue Bonds, Series 2010 B (West Virginia SRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $81,600.

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

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

"Series 2010 E Bonds" means the Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $100,000.

"Series 2010 F Bonds" means the Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $7,250,000.

"Series 2012 A Bonds" means the Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, dated August 24, 2012, issued in the original aggregate principal amount of $570,000.

"Series 2012 C Bonds" means the Combined Utility System Revenue Bonds, Series 2012 C (Bank Qualified), of the Issuer, dated October 5, 2012, issued in the original aggregate principal amount of $2,330,000.

"Series 2013 A Bonds" means the Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated August 22, 2013, issued in the original aggregate principal amount of $4,605,260.

"Series 2014 B Bonds" means the Combined Utility System Revenue Bonds, Series 2014 B, of the Issuer, dated July 13, 2014, issued in the original aggregate principal amount of $505,421.

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

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

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

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

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

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

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

"Series 2016 B-2 Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green), of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $500,000. Pursuant to the terms and conditions of the Series 2016 B-2 Bonds, the outstanding principal of the Series 2016 B-2 Bonds is forgiven by the holder thereof on the last day of the Fiscal Year in which such principal is advanced. No repayment of any principal of the Series 2016 B-2 Bonds will occur and the Series 2016 B-2 Bonds do not bear any interest. The Series 2016 B-2 Bonds are not secured by any lien on the Gross Revenues of the Combined Utility System.

"Series 2017 Bonds" means, collectively, the Series 2017 A Bonds and, if issued, the Series 2017 B Bonds.

"Series 2017 A Bonds" means the Combined Utility System Revenue Bonds, Series 2017 A of the Issuer, authorized to be issued in the aggregate principal amount of not more than $50,000,000 pursuant to this Ordinance and the Supplemental Resolution.

"Series 2017 A Bonds Construction Fund" means the Series 2017 A Bonds Construction Fund created by Section 4.01 hereof.

"Series 2017 A Bonds Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2017 A Bonds Redemption Account" means the Redemption Account created in the Series 2017 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2017 A Bonds Reserve Account" means the Series 2017 A Bonds Reserve Account created in the Series 2017 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2017 A Bonds Sinking Fund" means the Series 2017 A Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2017 B Bonds" means the Combined Utility System Revenue Bonds, Series 2017 B of the Issuer, which may be issued contemporaneously with the Series 2017 A Bonds in the aggregate principal amount of not more than $20,000,000 to pay a portion of the Costs of the Project.

"Series 2017 B Bonds Reserve Account" means the Series 2017 B Bonds Reserve Account created pursuant to the Series 2017 B Ordinance.

"Series 2017 B Bonds Sinking Fund" means the Series 2017 B Bonds Sinking Fund created pursuant to the Series 2017 B Ordinance

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

"State" means the State of West Virginia.

“Stormwater System” means, collectively, the stormwater management and conveyance facilities of the Combined Utility System which specifically includes, but is not limited to, pipe, culverts, channels and watercourses, as presently existing in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereinafter acquired, constructed, or equipped for the Stormwater System, both within, and outside of, the Issuer’s corporate boundaries.

"Supplemental Resolution" means, collectively, any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Supplemental Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Bond Insurer provisions (if any) and other terms of the Series 2017 A Bonds and authorizing the sale of the

Series 2017 A Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2017 A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

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

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

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

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

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

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

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

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

B. The Issuer presently owns and operates, through the Board, a public combined potable waterworks, sanitary sewerage, and stormwater Combined Utility System. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the potable water supply for all customers of the Combined Utility System, that there be acquired and constructed certain extensions, additions, betterments and improvements to the Potable Water System of the Combined Utility System, specifically the Project.

C. It is deemed necessary for the Issuer to issue its Combined Utility System Revenue Bonds, Series 2017 A, in the aggregate principal amount of not more than $50,000,000, to permanently finance all or a portion of the costs of design, acquisition, construction and equipping of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2017 A Bonds prior to and during acquisition, construction and/or equipping and for a period not exceeding 6 months after completion of acquisition, construction and equipping of the Project; amounts which may be deposited in the Series 2017 A Bonds Reserve Account; underwriter's discount, engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses; commitment fees; the premium for a Municipal Bond Insurance Policy; the premium for a Municipal

Bond Debt Service Reserve Insurance Policy; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2017 A 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 2017 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

D. The period of usefulness of the Combined Utility System after completion of the Project is not less than 40 years.

E. It is in the best interests of the Issuer that the Series 2017 A Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by Supplemental Resolution of the Issuer.

F. There are or will be outstanding obligations of the Issuer which will rank on a parity with the Series 2017 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Series 2017 B Bonds (if issued), Prior Bonds and any hereinafter issued Additional Parity Bonds, as provided in this Ordinance.

Prior to the issuance of the Series 2017 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Series 2017 B Bonds (if issued) and the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, the Series 2016 B-1 Bonds and the Series 2017 B Bonds (if issued) to the issuance of the Series 2017 A Bonds on a parity with the Series 1992 Bonds, Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 B-1 Bonds and Series 2017 B Bonds (if issued). The Series 2010 A Bonds, Series 2010 F Bonds, Series 2012 C Bonds, Series 2014 B Bonds and Series 2016 A Bonds do not require written consent from the holders thereof.

Other than the Series 2017 B Bonds (if issued) and the Prior Bonds, there are no other presently outstanding bonds or obligations of the Issuer which are secured by Gross Revenues or assets of the Combined Utility System. The Issuer is in compliance with all the covenants of the Series 2017 B Bonds, the Prior Bonds and the Prior Ordinances.

G. The Issuer intends to issue the Series 2017 A Bonds, and to pledge for payment thereof, the Gross Revenues of the Combined Utility System, on a parity with one another and on a parity with such pledge in favor of the Holders of the Series 2017 B Bonds (if issued), the Prior Bonds and any hereinafter issued Additional Parity Bonds.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the Combined Utility System will be sufficient to provide for the repair, maintenance and operation of the Combined Utility System, to pay the principal of and interest on the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and the Prior Bonds as and when it becomes due and

reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2017 A Bonds, and secure the Series 2017 A Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the Combined Utility System, the monies in the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, unexpended proceeds of the Series 2017 A Bonds and as further set forth herein.

J. The Series 2017 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS" attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K. All things necessary to make the Series 2017 A Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2017 A Bonds, will be timely done and duly performed.

L. The enactment of this Ordinance, the execution and issuance of the Series 2017 A Bonds and the amendment, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. Prior to construction, the Issuer will have complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the Combined Utility System and issuance of the Series 2017 A Bonds including but not limited to Chapter 24, Article 2, Paragraph 11 (l).

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2017 A Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Series 2017 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2017 A Bond and any other Series 2017 A Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01 Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not more than $52,000,000, of which up to $50,000,000 will be obtained from the proceeds of the Series 2017 A Bonds, up to $20,000,000 may be obtained from the proceeds of the Series 2017 B Bonds (if issued) and up to $2,000,000 may be obtained from funds of the Combined Utility System available for such purpose.

ARTICLE III
THE SERIES 2017 A BONDS

Section 3.01 Form and Payment of Bonds. No Series 2017 A Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2017 A Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2017 A Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2017 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2017 A Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2017 A Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2017 A Bonds shall be in default, Bonds issued in exchange for Series 2017 A Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2017 A Bonds surrendered.

The principal of, and the interest and premium, if any, on, the Series 2017 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2017 A Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2017 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2017 A Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Series 2017 A Bond in the principal amount of said Series 2017 A Bond then Outstanding.

Section 3.02. Execution of the Series 2017 A Bonds. The Series 2017 A Bonds shall be executed in the name of the Issuer by the Mayor, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2017 A Bonds shall cease to be such officer of the Issuer before the Series 2017 A Bonds so signed and sealed have been actually sold and delivered, such Series 2017 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2017 A Bonds had not ceased to hold such office. Any Series 2017 A Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Series 2017 A Bonds shall hold the proper office in the City, although at the date of such Series 2017 A Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2017 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2017 A Bond, substantially in the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS" attached hereto and incorporated herein by reference with respect to the Series 2017 A Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2017 A Bond shall be conclusive evidence that such Series 2017 A Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any

Series 2017 A Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2017 A Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2017 A Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2017 A Bonds, in accepting any of said Series 2017 A Bonds, shall be conclusively deemed to have agreed that such Series 2017 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2017 A Bonds shall further be conclusively deemed to have agreed that said Series 2017 A Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2017 A Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2017 A Bonds. The Series 2017 A Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2017 A Bond, there shall be issued at the option of the Holder of the Series 2017 A Bonds or the transferee another Series 2017 A Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Series 2017 A Bond and of the same series, interest rate and maturity of said transferred Series 2017 A Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2017 A Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Series 2017 A Bonds, of the same maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2017 A Bond is exercised, Series 2017 A Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2017 A Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2017 A Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2017 A Bonds, the Registrar may impose a service charge. For every such transfer or exchange of Series 2017 A Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2017 A Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2017 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Series 2017 A Bond of like series, maturity and principal amount as the Series 2017 A Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Series 2017 A Bond, or in lieu of and substitution for the Series 2017 A Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the

Registrar proof of his ownership thereof and that said Series 2017 A Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2017 A Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Series 2017 A Bond shall have matured or be about to mature, instead of issuing a substitute Series 2017 A Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Series 2017 A Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Series 2017 A Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2017 A Bonds be at any time found by any one, and such duplicate Series 2017 A Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued as part of the Series 2017 A Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2017 A Bonds Redemption Account in accordance with Section 4.03 shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2017 A Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

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

3. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2017 A Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued

interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2017 A Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2017 A Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2017 A Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer and the registered owner of the Series 2017 A Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2017 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

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

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all Outstanding Series 2017 A Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2017 A Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Series 2017 A Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Series 2017 A Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar, and

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

If funds sufficient to redeem all Series 2017 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is conditioned on, and subject to, the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited,

the Registrar shall notify all holders of Series 2017 A Bonds called for redemption of such fact and no holder of any Series 2017 A Bonds shall have any claim of any type, of law or inequity, against the Issue.

Official notice of redemption having been given as aforesaid, the Series 2017 A Bonds, or portions of the Series 2017 A Bonds so to be redeemed, shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2017 A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such Bond. All Series 2017 A Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2017 A Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Series 2017 A Bond is registered as the owner of such Series 2017 A Bond for the purpose of receiving payment of the principal of, and interest on, such Series 2017 A Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Series 2017 A Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 2017 A Bonds. For the purposes of paying all or a portion of the costs of the Project, capitalizing interest on the Series 2017 A Bonds, paying the premium for a Municipal Bond Insurance Policy, funding the Series 2017 A Bonds Reserve Account with proceeds of the Series 2017 A Bonds or paying the premium for a Municipal Bond Debt Service Reserve Insurance Policy, in an amount equal to the Series 2017 A Bonds Debt Service Reserve Requirement and paying costs in connection with the issuance of the Series 2017 A Bonds, or any or all such purposes, there shall be issued the Series 2017 A Bonds of the Issuer, in an aggregate principal amount of not more than $50,000,000. Said Series 2017 A Bonds shall be designated "Combined Utility System Revenue Bonds, Series 2017 A" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in the Supplemental Resolution, and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2017 A Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2017 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2017 A Bonds shall be dated; shall be in such aggregate principal amount (not to

exceed $50,000,000); shall bear interest at such rate or rates, (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 40 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2017 A Bonds. A. The Series 2017 A Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2017 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2017 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2017 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2017 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2017 A Bond or any other evidence of ownership of the Series 2017 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2017 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2017 A Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2017 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2017 A Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of, or interest on, the Series 2017 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2017 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2017 A Bonds so redeemed, but DTC may retain such Series 2017 A Bonds and make an appropriate notation on the Series 2017 A Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2017 A Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2017 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2017 A Bonds, selecting the Series 2017 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2017 A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2017 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2017 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant

of any amount in respect of the principal or Redemption Price of or interest on the Series 2017 A Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2017 A Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2017 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2017 A Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2017 A Bonds. In either of such events (unless in the case described in clause (iii) above, the Issuer appoints a successor securities depository), the Series 2017 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2017 A Bonds.

Section 3.12. Delivery of Series 2017 A Bonds. A. The Issuer shall execute and deliver the Series 2017 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2017 A Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2017 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2017 A Bonds to DTC for the benefit of the Original Purchaser;

(3) Copies certified by the City Clerk of this Ordinance and the Supplemental Resolution;

(4) The unqualified approving opinion upon the Series 2017 A Bonds by Bond Counsel; and

(5) Such other opinions, certificates and documents as shall be reasonably requested by the Original Purchaser.

Section 3.13. Form of Series 2017 A Bonds. The definitive Series 2017 A Bonds shall be in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS" attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2017 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2017 A Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2017 A Bonds. Upon the issuance and delivery of the Series 2017 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2017 A Bonds from the date thereof to the date of delivery thereof, if any, shall be deposited in the Series 2017 A Bonds Sinking Fund and applied to payment of interest on the Series 2017 A Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2017 A Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer.

3. An amount of the proceeds of the Series 2017 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2017 A Bonds Reserve Account; provided, that to the extent the Series 2017 A Bonds Reserve Requirement is satisfied in whole or in part from a Municipal Bond Debt Serve Reserve Insurance Policy, proceeds of the Series 2017 A Bonds shall be (i) paid to the Bond Insurer, via wire transfer, in an amount equal to the premium for the Municipal Bond Debt Service Reserve Insurance Policy and (ii) deposited in the Series 2017 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2017 A Bonds Reserve Requirement.

4. The amount of Series 2017 A Bond proceeds which, together with other monies or securities deposited therein, shall be equal to the Costs of Issuance of the Series 2017 A Bonds shall be deposited with the Depository Bank in the Series 2017 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2017 A Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2017 A Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2017 A Bonds Construction Fund established in Section 4.01 hereof and applied to Costs of the Project. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2017 A Bonds from which such proceeds are derived.

5. The balance of Series 2017 A Bonds proceeds, if any, shall be deposited in the Series 2017 A Bonds Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Series 2017 A Bonds Construction Fund. Disbursements from the Series 2017 A Bonds Construction Fund, except for payment of Costs of Issuance of the Series 2017 A Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Issuer, shall be made only for design, acquisition, construction and equipping of the Project, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2017 A Bonds Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the direction of the Board.

ARTICLE IV
COMBINED UTILITY SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other (except as set forth in this Section 4.01), and used solely for the purposes provided herein:

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

(2) Depreciation Fund (established by the Prior Ordinances);

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

(4) Series 2017 A Bonds Construction Fund; and

(5) Series 2017 A Bonds Cost of Issuance Fund.

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

(1) Series 1992 Bonds Sinking Fund (established by Prior Ordinances);

(2) Series 1992 Bonds Reserve Account established by Prior Ordinances);

(3) Series 1995 Bonds Sinking Fund (established by Prior Ordinances);

(4) Series 1995 Bonds Reserve Account established by Prior Ordinances);

(5) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);

(6) Series 2000 A Bonds Reserve Account established by Prior Ordinances);

(7) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances);

(8) Series 2000 B Bonds Reserve Account established by Prior Ordinances);

(9) Series 2001 A Bonds Sinking Fund (established by Prior Ordinances);

(10) Series 2001 A Bonds Reserve Account established by Prior Ordinances);

(11) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);

(12) Series 2006 A Bonds Reserve Account established by Prior Ordinances);

(13) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);

(14) Series 2007 A Bonds Reserve Account established by Prior Ordinances);

(15) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);

(16) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);

(17) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);

(18) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);

(19) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);

(20) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);

(21) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);

(22) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);

(23) Series 2010 F Bonds Sinking Fund (established by Prior Ordinances);

(24) Series 2010 F Bonds Reserve Account (established by Prior Ordinances);

(25) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);

(26) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);

(27) Series 2012 C Bonds Sinking Fund (established by Prior Ordinances);

(28) Series 2012 C Bonds Reserve Account (established by Prior Ordinances);

(29) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);

(30) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);

(31) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances);

(32) Series 2014 B Bonds Reserve Account (established by Prior Ordinances);

(33) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances);

(34) Series 2015 A Bonds Reserve Account (established by Prior Ordinances);

(35) Series 2015 B Bonds Sinking Fund (established by Prior Ordinances);

(36) Series 2015 B Bonds Reserve Account (established by Prior Ordinances);

(37) Series 2015 C Bonds Sinking Fund (established by Prior Ordinances);

(38) Series 2015 C Bonds Reserve Account (established by Prior Ordinances);

(39) Series 2015 D Bonds Sinking Fund (established by Prior Ordinances);

(40) Series 2015 D Bonds Reserve Account (established by Prior Ordinances);

(41) Series 2015 E Bonds Sinking Fund (established by Prior Ordinances);

(42) Series 2015 E Bonds Reserve Account (established by Prior Ordinances);

(43) Series 2016 A Bonds Sinking Fund (established by Prior Ordinances);

(44) Series 2016 A Bonds Reserve Account (established by Prior Ordinances);

(45) Series 2016 B-1 Bonds Sinking Fund (established by Prior Ordinances);

(46) Series 2016 B-1 Bonds Reserve Account (established Prior Ordinances);

(47) Series 2017 A Bonds Sinking Fund;

(48) Series 2017 A Bonds Reserve Account;

(49) Series 2017 B Bonds Sinking Fund (established by the Series 2017 B Ordinance and provided the Series 2017 B Bonds are issued); and

(50) Series 2017 B Bonds Reserve Account (established by the Series 2017 B Ordinance and provided the Series 2017 B Bonds are issued).

Section 4.03. Combined Utility System Revenues and Application Thereof. So long as any of the Series 2017 A Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

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

(1) The Issuer shall first, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to for payment of interest on the Series 1995 Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2016 A Bonds and Series 2016 B-1 Bonds; (ii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2017 A Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2017 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2017 A Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2017 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2017 A Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund; and (iii) if the Series 2017 B Bonds are issued, the amount required by the Series 2017 B Ordinance to pay the interest, if any, on the Series 2017 B Bonds.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Sinking Funds for the Prior Bonds for the payment of principal of the Prior Bonds; (ii) for deposit in the Series 2017 A Bonds Sinking Fund (and in the Series 2017 A Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2017 A Bonds, a sum equal to 1/12th of the amount

(or 1/6th of the amount if the Series 2017 A Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2017 A Bonds on the next ensuing principal payment or mandatory Redemption Date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2017 A Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2017 A Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph; and (iii) if the Series 2017 B Bonds are issued, the amount required by the Series 2017 B Ordinance to repay the principal of the Series 2017 B Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Reserve Accounts for the Prior Bonds; (ii) commencing 13 months prior to the first date of payment of principal of the Series 2017 A Bonds or upon completion of construction of the Project, whichever is earlier, if not fully funded upon issuance of the Series 2017 A Bonds, for deposit in the Series 2017 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2017 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2017 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2017 A Bonds Reserve Requirement; provided further, that if the amounts in the Series 2017 A Bonds Reserve Account, as a result of a decrease in value of the Series 2017 A Bonds Reserve Account below the Series 2017 A Bonds Reserve Account Requirement or any withdrawal from the Series 2017 A Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2017 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2017 A Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2017 A Bonds Reserve Account is less than the Series 2017 A Bonds Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2017 A Bonds Reserve Account for deposit into the Series 2017 A Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2017 A Bonds Reserve Account to an amount equal to the Series 2017 A Bond Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2017 A Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2017 A Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2017 A Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2017 A Bond Reserve Account Requirement; and (iii) if the Series 2017 B Bonds are issued, the amount required by the Series 2017 B Ordinance to be deposited in the Series 2017 B Bonds Reserve Account.

Amounts deposited in, or pledged to, the Series 2017 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2017 A Bonds when due, when amounts in the Series 2017 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

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

(5) The Issuer shall next, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2.5% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Ordinances and the Series 2017 B Ordinance so long as the Prior Bonds and the Series 2017 B Bonds, respectively, are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, or improvements or extensions to the Combined Utility System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such Reserve Account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2017 A Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2017 A Bonds, if any, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

D. Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and any hereinafter issued Additional Parity Bonds all in accordance with the respective principal amounts then Outstanding.

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

Section 5.01. Investments. The Issuer, through the Board, shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

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

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

(A) Qualified Investments acquired for the Series 2017 A Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer, through the Board, shall, or shall cause the Bond Commission to, annually transfer from the Series 2017 A Bonds Reserve Account to the Series 2017 A Bonds Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2017 A Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2017 A Bonds Reserve Account an amount at least equal to the Series 2017 A Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2017 A Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If no longer funded with a Municipal Bond Debt Service Reserve Insurance Policy equal to the Series 2017 A Bonds Reserve Requirement and the amounts on deposit in the Series 2017 A Bonds Reserve Account shall, at any time, be less than the applicable Series 2017 A Bonds Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the respective sinking funds for the Prior Bonds and the Series 2017 A Bonds Sinking Fund and otherwise in accordance with Section 4.03(3).

(E) All amounts representing accrued and capitalized interest, if any, shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2017 A Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(F) Notwithstanding the foregoing, all monies deposited in the Series 2017 A Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the Issuer hereby instructs the Mayor to take all actions necessary for the Issuer to comply with the continuing disclosure agreement.

Section 5.03. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2017 A Bonds in such manner and to such extent as may be necessary, so that such Series 2017 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Series 2017 A Bonds) so that the interest on the Series 2017 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.04. Tax Certificate, Rebates, and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2017 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2017 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the Combined Utility System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefore. The Issuer at its expense may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.04. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.04 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2017 A Bonds from gross income for federal income tax purposes.

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2017 A Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2017 A Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2017 A Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. The Series 2017 A Bonds not to be Indebtedness of the Issuer. The Series 2017 A Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the Combined Utility System, the monies in the Series 2017 A Bonds Sinking Fund and all accounts therein, the unexpended proceeds of the Series 2017 A Bonds or monies in the Series 2017 A Bonds Construction Fund, if any, all as herein provided. No Holder or Holders of any Series 2017 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2017 A Bonds or the interest thereon.

Section 6.03. Series 2017 A Bonds Secured by Pledge of Gross Revenues and Monies in Series 2017 A Bonds Sinking Fund. The payment of the debt service of all of the Series 2017 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the Combined Utility System on a parity with one another and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds, the Series 2017 B Bonds (if issued) and hereinafter issued Additional Parity Bonds, and with respect to the Series 2017 A Bonds, all monies and securities in the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, to the extent necessary to make the payments required under Section 4.03. The Gross Revenues derived from the Combined Utility System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, the Series 2017 A Bonds herein authorized, the Series 2017 B Bonds (if issued) and any hereinafter issued Additional Parity Bonds, and to make the payments into the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, are pledged *pari passu* by the Issuer.

Section 6.04. Rates. Equitable rates or charges for the use of and service rendered by the Combined Utility System have been established all in the manner and form required by law. Copies of such rates and charges so established may be obtained from the Board by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the Combined Utility System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the Combined Utility System (i) to provide for all Operating Expenses of the Combined Utility System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations secured by a lien on or payable from such Gross Revenues on a parity with the Series 2017 A Bonds, including the Prior Bonds, the Series 2017 B Bonds (if issued) and any hereinafter issued Additional Parity Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the Combined Utility System within 120 days following a determination of an Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

The Issuer expressly reserves the right to reduce the rates for the Combined Utility System, whether approved or in effect as of the date of issuance of the Series 2017 A Bonds, in the event that, based on a certificate of an Independent Certified Public Accountant, after any such decrease in rates, the Issuer will meet the requirements of this Section 6.04 and is not in default under any other provision of any ordinance authorizing any bonds or other indebtedness secured by the Gross Revenues of the Combined Utility System.

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

The Issuer either has, or will, obtain all permits required by state and federal laws for the acquisition, construction and equipping of the Project.

Section 6.06. Sale of the Combined Utility System. So long as the Prior Bonds and the Series 2017 B Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the Combined Utility System, except as provided by the Prior Ordinances and the Series 2017 B Ordinance, respectively. Additionally, so long as the Series 2017 A Bonds are Outstanding, the Combined Utility System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the Combined Utility System shall be immediately remitted to the Bond Commission for deposit in the Series 2017 A Bonds Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Revenues of the Combined Utility System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the Combined Utility System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $1,000,000, the Board shall, in writing, determine that such property comprising a part of the Combined Utility System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be used for any lawful purpose of the Combined Utility System. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $1,000,000 but not in excess of $5,000,000, the Board shall first obtain the written approval of the Consulting Engineers that such property comprising a part of the Combined Utility System is no longer necessary, useful or profitable in the operation thereof, and the Board may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any

such sale, lease or other disposition of such property, in excess of $1,000,000 and not in excess of $5,000,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the Combined Utility System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $5,000,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of (i) any applicable Bond Insurer, or (ii) if the Series 2017 A Bonds are not insured, the Holders, or their duly authorized representatives, of 60% in an amount of Series 2017 A Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer or the then Holders of the Series 2017 A Bonds for the disposition of the proceeds from the sale, lease or other disposition of such properties of the Combined Utility System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, payable from the Gross Revenues of the Combined Utility System which rank prior to, or equally, as to lien on and source of and security for payment from the Gross Revenues with the Series 2017 A Bonds, the Prior Bonds and the Series 2017 B Bonds (if issued); and all obligations hereafter issued by the Issuer payable from the Gross Revenues of the Combined Utility System, except such Additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such Gross Revenues and in all other respects to the Series 2017 A Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2017 A Bonds, upon any of the income and revenues of the Combined Utility System pledged for payment of the principal of, and interest on the Series 2017 A Bonds in this Ordinance or upon the Combined Utility System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds and the Series 2017 B Bonds are outstanding the limitations on the issuance of parity obligations set forth in the Prior Ordinances and the Series 2017 B Ordinance, respectively, authorizing such bonds shall be applicable. In addition, no Additional Parity Bonds, as in this section defined, payable out of the Gross Revenues of the Combined Utility System shall be issued after the issuance of the Series 2017 A Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition, construction and/or equipping of additions, betterments and/or improvements for the Combined Utility System, refunding all or a portion of one or more series of the Series 2017 A Bonds, the Prior Bonds and/or the Series 2017 B Bonds (if issued), refunding all or a portion of any series of Additional Parity Bonds hereinafter issued, paying claims which may exist against the revenues or facilities of the Combined Utility System, or all of such purposes.

No such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Certified Public Accountant reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the Combined Utility System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the date of issuance

of such Additional Parity Bonds, shall be not less than 115% of the Maximum Annual Debt Service on the following:

(1) The Series 2017 A Bonds then Outstanding;

(2) The Prior Bonds and Series 2017 B Bonds (if issued) then Outstanding;

(3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

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

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

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

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean evidence of indebtedness, specifically including, but not limited to, bonds and notes issued under the provisions and within the limitations of the Act and this section, payable from the Gross Revenues of the Combined Utility System on a parity with the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and the Prior Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the Combined Utility System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the Combined Utility System of which is subject to the prior and superior lien of the Series 2017 A Bonds, the Series 2017 B Bonds (if issued), the Prior Bonds and any theretofore issued Additional Parity Bonds on such Gross Revenues. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the Combined Utility System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Revenues with the Series 2017 A Bonds except in the manner and under the conditions provided in this section.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on

account of the Series 2017 A Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in this Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2017 A Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense of the Combined Utility System, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation covering the following risks and in the following amounts:

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

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

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

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

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

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

The Issuer and/or the Board shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract.

The Issuer and/or the Board shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project.

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

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

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

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the Combined Utility System.

Section 6.13. Books and Records. The Board will keep books and records of the Combined Utility System, which shall be separate and apart from all other books, records and accounts of the Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the Combined Utility System. Any Holder of a Series 2017 A Bond shall have the right at all reasonable times to inspect the Combined Utility System, and all parts thereof, and all records, accounts and data of the Board relating thereto.

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

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

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

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

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

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2017 A Bonds, a statutory mortgage lien upon the Combined Utility System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2017 A Bonds and shall be on a parity with all series of the Series 2017 A Bonds and with the statutory mortgage lien in favor of the Holders of the Prior Bonds and the Series 2017 B Bonds (if issued).

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2017 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2017 A Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series

2017 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2017 A Bonds during the terms thereof is, under the terms of such Series 2017 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2017 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Combined Utility System, or if the Series 2017 A Bonds are for the purpose of financing more than one project, a portion of the Combined Utility System, and shall not exceed the proceeds used for the governmental use of that portion of the Combined Utility System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2017 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2017 A Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2017 A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2017 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. Without limiting the generality of the foregoing, the Issuer agrees to comply with the provisions of the Tax Certificate, which are hereby incorporated herein. This covenant shall survive payment in full or defeasance of the Series 2017 A Bonds.

Section 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer may obtain a Municipal Bond Insurance Policy for all, or certain maturities, of the Series 2017 A Bonds. In the event such Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2017 A Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2017 A Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.19. Covenants Regarding the Municipal Bond Debt Service Reserve Insurance Policy. The Issuer intends to obtain a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2017 A Bonds Debt Service Reserve Account in an amount equal to the Series 2017 A Bonds Reserve Requirement. In the event such Municipal Bond Debt Service Reserve Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2017 A Bonds, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.20. Continuing Disclosure Agreement. The Issuer shall deliver a Continuing Disclosure Agreement, Dissemination Agent Agreement or Continuing Disclosure Certificate in form acceptable to the Original Purchaser, the form of which shall be approved by the Supplemental Resolution, sufficient to ensure compliance with Rule 15c2-12, as it may be amended from time to time, and the Mayor is authorized and directed to execute and deliver such Continuing Disclosure Agreement on behalf of the Issuer, with such changes as the Mayor shall approve, such approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by the Mayor. The Mayor and Clerk are further authorized to take all actions necessary for the Issuer to comply with the Continuing Disclosure Agreement.

Section 6.21 Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2017 A Bonds shall be and the same is hereby approved. The Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Mayor is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2017 A Bonds and as the Mayor may approve (the "Official Statement"). The execution of the Official Statement by the Mayor shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.22. Bond Purchase Agreement. The Series 2017 A Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2017 A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2017 A Bond; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or Supplemental Resolution or in the Series 2017 A Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Bond Insurer; or

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

(D) If the Series 2017 B Bonds are issued, default occurs with respect to the Series 2017 B Bonds or the Series 2017 B Ordinance; or

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

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

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

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

(C) Bring suit upon the Series 2017 A Bonds, as applicable;

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

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

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute, all pro rata, with respect to the Prior Bonds, the Series 2017 B Bonds (if issued) and the Series 2017 A Bonds, in accordance with the respective principal amounts then Outstanding.

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

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

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the Combined Utility System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Series 2017 A Bonds and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the Combined Utility System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Series 2017 A Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and

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

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

Any receiver appointed as provided herein shall hold and operate the Combined Utility System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Holders of the Series 2017 A Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the Combined Utility System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the Combined Utility System, for the sole purpose of the protection of both the Issuer and the Holders of the Series 2017 A Bonds, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said Combined Utility System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the Combined Utility System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Holders of the Series 2017 A Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee representing the Holders of the Series 2017 A Bonds shall consider the effect on the Holders of the Series 2017 A Bonds as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Holders of the Series 2017 A Bonds. In case any Holder of the Series 2017 A Bonds shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Holder of the Series 2017 A Bonds shall be restored to their former positions and rights hereunder, and all rights and remedies of such Holder of the Series 2017 A Bonds shall continue as if no such proceedings had been taken.

ARTICLE VIII
REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2017 A Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2017 A Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their

accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2017 A Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2017 A Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

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

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2017 A Bonds, the first exchange of Series 2017 A Bonds and the exchange of Series 2017 A Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2017 A Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2017 A Bonds, or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2017 A Bonds Outstanding.

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

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer or by the Holders of a majority in principal amount of the Series 2017 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the applicable Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided, that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a

receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2017 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within twenty (20) days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within forty-five (45) days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

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

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

Section 8.11. Adoption of Authentication. In case any of the Series 2017 A Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The West Virginia Municipal Bond Commission shall initially serve as Paying Agent as required by the Act. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2017 A Bonds shall be and remain DTC-Eligible.

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

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be

sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within thirty (30) days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

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

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

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

ARTICLE IX
DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2017 A Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Gross Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2017 A Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2017 A Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2017 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2017 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2017 A Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Series 2017 A Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2017 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the

principal of and redemption premium, if any, and interest to become due on said Series 2017 A Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X
MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2017 A Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2017 A Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Holder of the Series 2017 A Bonds or other person, be amended, modified or supplemented in any manner which, in the written opinion of Bond Counsel, does not materially adversely affect the interests of the Holder of the Series 2017 A Bonds or any Bond Insurer; provided, that in the event any of the Series 2017 A Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Series 2017 A Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made (i) without the written consent of the Holders of 60% in aggregate principal amount of the Series 2017 A Bonds then Outstanding and affected thereby; or (ii) the Bond Insurer. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2017 A Bond without the express written consent of the Holder of such Series 2017 A Bond, nor reduce the percentage of Series 2017 A Bonds required for consent to any such modification or amendment.

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

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

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

C. The amount of fully registered Series 2017 A Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Series 2017 A Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

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

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

Section 10.04. Cancellation of Bonds. All Series 2017 A Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Series 2017 A Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2017 A Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

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

ISSUER

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

With copy to:

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

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

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

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

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

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

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

Section 10.07. No Personal Liability. No member of the Council, the Board or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any of the Series 2017 A Bonds, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2017 A Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2017 A Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2017 A Bonds, the Bond Insurer and the Original Purchaser.

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

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

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

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Dominion Post*, a newspaper published and having a general circulation in The City of Morgantown, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2017 A Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 3rd day of January, 2017, at 7:00 p.m., in the Council Chambers of the City Hall, Morgantown and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

[*Remainder of Page Intentionally Left Blank*]

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

First Reading:	December 6, 2016
Second Reading:	December 20, 2016
Effective following Public Hearing held on:	January 3, 2017

THE CITY OF MORGANTOWN

_____
Mayor

[SEAL]

ATTEST:

_____
City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of THE CITY OF MORGANTOWN at a regular meeting of the City Council held on January 3, 2017, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in The City of Morgantown, the first publication having been not less than 10 days prior to such public hearing.

Dated this ____ day of _____, 2017.

[SEAL]

_____
City Clerk

EXHIBIT A – FORM OF SERIES 2017 A BONDS

[DTC Legend]

No. AR-_____

$_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2017 A Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2017 A Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2017 A Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2017 A Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a

default in the payment of Series 2017 A Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2017 A Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2017 A Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2017 A" (the "Series 2017 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2017, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the Costs of design, acquisition, construction and equipping of the Project; (ii) [to pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2017 A Bonds;] (iii) [to fund a reserve account for the Series 2017 A Bonds/to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2017 A Bonds] in an amount equal to the Series 2017 A Bonds Reserve Requirement; and (iv) to pay certain costs of issuance of the Series 2017 A Bonds and related costs. The Series 2017 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January ___, 2017, and supplemented by a supplemental resolution adopted by said City Council on _____, 2017 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2017 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2017 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

[The Series 2017 A Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Bond Insurer] .]

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

(1) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 1995 (WEST VIRGINIA SRF PROGRAM), DATED APRIL 27, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,601,477 (THE “SERIES 1995 BONDS”);

(2) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 A (WEST

VIRGINIA SRF PROGRAM), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,842,000 (THE "SERIES 2000 A BONDS");

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

(4) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 8, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,812,470 (THE "SERIES 2001 A BONDS");

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

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

(7) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(8) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $81,600 (THE "SERIES 2010 B BONDS");

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

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

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

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(13) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 C (BANK QUALIFIED), DATED OCTOBER 5, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,330,000 (THE "SERIES 2012 C BONDS");

(15) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(16) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

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

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

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

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

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

(22) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(23) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS"); AND

(24) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2017, ISSUED COTEMPORANEOUSLY HERWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2017 B BONDS")

The Series 2017 A Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

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

the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Series 2017 A Bonds maturing on _____, 20_____ and 20_____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing _____ 1, 20

Year (1)	Principal Amount

_____

* Final Maturity

In the event of any redemption of less than all outstanding Series 2017 A Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2017 A Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2017 A Bonds are to be redeemed, the Series 2017 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2017 A Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2017 A Bond or Series 2017 A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2017 A Bonds or portions of Series 2017 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2017 A Bonds or portions of Series 2017 A Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2017 A Bond.

The Series 2017 A Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined

Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2017 A Bonds Sinking Fund, and the Series 2017 A Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2017 A Bonds, including monies in the Series 2017 A Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2017 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2017 A Bonds Sinking Fund and the Series 2017 A Bonds Reserve Account and the unexpended proceeds of the Series 2017 A Bonds, including monies in the Series 2017 A Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2017 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2017 A Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2017 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2017 A Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2017 A Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, [pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of and interest on the Series 2017 A Bonds], [fund a reserve account for the Series 2017 A Bonds/pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy] in amount equal to the Series 2017 A Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2017 A Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2017 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2017 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2017 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2017 A Bonds of which this Series 2017 A Bond is one.

This Series 2017 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2017 A Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2017 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2017 A Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2017 A Bond to the same extent as if written fully herein.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2017 A Bond to be dated as of the Series 2017 A Bond Date specified above.

[SEAL]

[Manual or facsimile signature]
Mayor

ATTEST:

[Manual or facsimile signature]
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2017 A Bond is one of the fully registered Series 2017 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2017 A Bonds.

Dated: _____, 2017.

_____,
As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

The City of Morgantown

Combined Utility System Revenue Bonds, Series 2018 B

SUPPLEMENTAL PARAMETERS RESOLUTION

SUPPLEMENTAL RESOLUTION RE-DESIGNATING THE PREVIOUSLY AUTHORIZED COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A (TAX EXEMPT) AS COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B; PROVIDING PARAMETERS AS TO THE PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B OF THE CITY OF MORGANTOWN; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE ORIGINAL PURCHASER; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, A REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT, A TAX COMPLIANCE POLICY, A CONTINUING DISCLOSURE POLICY, AND OTHER INSTRUMENTS RELATING TO THE BONDS; AUTHORIZING THE PURCHASE OF A MUNICIPAL BOND INSURANCE POLICY AND/OR MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND AMENDMENT AND/OR MODIFICATION OF THE ORDINANCE TO COMPLY THEREWITH; APPOINTING A REGISTRAR, PAYING AGENT AND DISSEMINATION AGENT FOR SUCH BONDS; APPROVING A CONFORMED ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

WHEREAS, the Governing Body has duly and officially enacted on January 3, 2017, an Ordinance entitled:

AN ORDINANCE AUTHORIZING THE DESIGN ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE POTABLE WATER PORTION OF THE EXISTING COMBINED UTILITY

SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

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

WHEREAS, the above-described Ordinance provides for the issuance by the Issuer of its Combined Utility System Revenue Bonds, Series 2017 A (Tax-Exempt) in an aggregate principal amount not to exceed $50,000,000, in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act") for the purposes of financing a portion of the Costs of the Project, as defined in the Series 2018 B Ordinance (as hereinafter defined);

WHEREAS, the Bonds were not issued in 2017; therefor, Issuer desires to re-designate the Bonds approved in the above-described Ordinance as "Combined Utility System Revenue Bonds, Series 2018 B" and hereby does authorize and approve all amendments and modifications to the above-described Ordinance to reflect such re-designation, as reflected on "EXHIBIT A" attached hereto, and other amendments and modifications, and such amended and modified Ordinance is hereinafter referred to as the "Series 2018 B Ordinance";

WHEREAS, the Series 2018 B Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2018 B Bonds should be established by Supplemental Resolution or by a Certificate of Determinations, that a Registrar, Paying Agent and Dissemination Agent be designated, that a Bond Purchase Agreement, a Continuing Disclosure Agreement, a Registrar Agreement and an Official Statement be approved and that other matters pertaining to the Bonds be provided for by a Supplemental Resolution of the Governing Body or pursuant to a Certificate of Determinations executed by the Mayor, that additional covenants and provisions relating to the Series 2018 B Bonds be provided for therein, and as may be required by any Bond Insurer as a condition to insuring such Series 2018 B Bonds and/or providing a Municipal Bond Debt Service Reserve Insurance Policy for such Series 2018 B Bonds and that other matters pertaining to the Series 2018 B Bonds be provided for by a Supplemental Resolution of this Governing Body or by a Certificate of Determinations executed by the Mayor or City Manager;

WHEREAS, the Series 2018 B Bonds are proposed to be purchased by Merrill Lynch, Pierce, Fenner & Smith Incorporated (also known as "Bank of America"), and behalf of itself and Crews & Associates, Inc. (collectively, the "Original Purchaser"), pursuant to a Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof (the "Bond Purchase Agreement");

WHEREAS, the Governing Body has determined that, in order to obtain the best possible terms for the Series 2018 B Bonds, the Mayor, or the Mayor's designee or City Manager, shall be empowered and authorized to execute the Bond Purchase Agreement, within the parameters set forth herein, at such time as the Mayor shall determine most advantageous to the Issuer, or not at all, and the

Mayor shall be authorized to acquire a Municipal Bond Insurance Policy and/or Municipal Bond Debt Service Reserve Insurance Policy if either, or both, is determined by the Mayor, or the Mayor's designee, to be financially advantageous to the Issuer; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental parameters resolution (the "Series 2018 B Supplemental Parameters Resolution") be adopted, that the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate, and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Series 2018 B Bonds, hereinafter described, be approved, that the Mayor be authorized to enter into the Bond Purchase Agreement within the parameters hereby approved by the Governing Body, and that other matters relating to the Series 2018 B Bonds be herein provided for all in accordance with the Series 2018 B Ordinance;

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

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

SECTION 2. The previously authorized "Combined Utility System Revenue Bonds, Series 2017 A (Tax Exempt)," are hereby re-designated as "Combined Utility System Revenue Bonds, Series 2018 B" and the Ordinance enacted January 3, 2017 authorizing the issuance of the Bonds to pay a portion of the Costs of the Project is hereby amended and modified as reflected in Exhibit A attached hereto and incorporated herein by reference. For the purposes of (i) paying a portion of the Costs of the Project, (ii) funding a debt service reserve account for the Series 2018 B Bonds through the purchase of a Municipal Bond Debt Service Reserve Insurance Policy, (iii) paying, if determined to be financially advantageous to the Issuer, the premium for a Municipal Bond Insurance Policy, and (iv) paying costs of issuance of the Series 2018 B Bonds and related costs, the Governing Body of the Issuer hereby authorizes and orders the issuance of the Series 2018 B Bonds in an aggregate principal amount not to exceed $50,000,000.

SECTION 3. Pursuant to the Series 2018 B Ordinance and the Act, this Series 2018 B Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2018 B Bonds. The Series 2018 B Bonds shall be issued in the aggregate principal amount not to exceed $50,000,000, bear interest at a rate not to exceed 7.0%, payable semiannually, shall mature no later than forty (40) years from the date of issuance, and shall be subject to such redemption provisions, all as shall subsequently be approved by the Mayor, or the Mayor's designee, pursuant to the execution and delivery by the Mayor of a Certificate of Determinations with respect to the Series 2018 B Bonds, dated the date of the Bond Purchase Agreement, the form of which is attached hereto as EXHIBIT B and approved hereby (the "Series 2018 B Certificate of Determinations"). The Series 2018 B Bonds shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2018 B Bonds shall be as determined by the Mayor at the time of the execution of the Bond Purchase Agreement and as approved by the Mayor in the Certificate of Determinations.

SECTION 4. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form to be approved pursuant to the execution and delivery by the Mayor, or the Mayor's designee, of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of

the Series 2018 B Bonds, including the payment of all necessary fees and expenses in connection therewith.

SECTION 5. Proceeds of the Bonds shall be expended solely for the purposes set forth in the Series 2018 B Ordinance.

SECTION 6. A. The Tax Certificate, to be dated the date of execution and delivery of the Bonds (the "Tax Certificate"), and executed and delivered by the Issuer, in the form to be approved by the Mayor, and the execution and delivery (in multiple counterparts) by the Mayor thereof, shall be and the same are hereby authorized, approved and directed. The execution of the Tax Certificate by the Mayor shall be conclusive evidence of any approval required by this Section.

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

SECTION 7. A. The Dissemination Agreement, to be dated the date of execution and delivery of the Series 2018 B Bonds (the "Disclosure Agreement"), by and between the Issuer and Digital Assurance Certification, LLC, in the form to be approved by the Mayor, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The execution of the Disclosure Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

B. The Issuer hereby approves the Continuing Disclosure Policy attached hereto as EXHIBIT D.

SECTION 8. The distribution by the Original Purchaser of a Preliminary Official Statement (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form attached hereto as EXHIBIT E and submitted to this meeting is hereby ratified and approved. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor is hereby approved. The Official Statement to be substantially in the form of the Preliminary Official Statement (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor) and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section.

SECTION 9. The Registrar Agreement by and between the Issuer and the Registrar designated herein, substantially in the form to be approved by the Mayor, and the execution and delivery (in multiple counterparts) by the Mayor thereof, shall be and the same are hereby authorized, approved and directed. The execution of the Registrar Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

SECTION 10. The General Manager and Assistant General Manager of the Morgantown Utility Board ("MUB") are each, individually, hereby authorized to approve invoices and requisitions for payment of Costs of the Project, specifically including, but not limited to, requisitions of proceeds of the Series 2018 B Bonds.

SECTION 11. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel and disclosure counsel to the Issuer in connection with the issuance of the Series 2018 B Bonds.

SECTION 12. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Paying Agent for the Series 2018 B Bonds.

SECTION 13. The Issuer hereby appoints and designates Digital Assurance Certification, LLC, as dissemination agent for the Series 2018 B Bonds.

SECTION 14. The Issuer hereby appoints and designates United Bank, Charleston, West Virginia, as the Registrar for the Series 2018 B Bonds. The General Manager of MUB is hereby authorized to designate the depository bank for, and direct the investment of, the proceeds of the Series 2018 B Bonds.

SECTION 15. The Issuer may, if determined to be financially advantageous, acquire a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, all or any portion of the Series 2018 B Bonds. In the event a Municipal Bond Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to insuring the Series 2018 B Bonds. These additional covenants and provisions shall be set forth in the Series 2018 B Certificate of Determinations, shall apply to the Series 2018 B Bonds, and shall be supplemental to, and amendatory of, the Ordinance and this Series 2018 B Supplemental Parameters Resolution, and shall be controlling in the event any other provisions of the Series 2018 B Ordinance and/or this Series 2018 B Supplemental Parameters Resolution may be in conflict therewith.

SECTION 16. The Issuer may, if determined to be financially advantageous, acquire a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 B Bonds Debt Service Reserve Fund for the Series 2018 B Bonds. In the event a Municipal Bond Debt Service Reserve Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds Debt Service Reserve Fund. These additional covenants and provisions shall be set forth in the Series 2018 B Certificate of Determinations, shall apply to the Series 2018 B Bonds, and shall be supplemental to, and amendatory of, the Series 2018 B Ordinance and this Series 2018 B Supplemental Parameters Resolution, and shall be controlling in the event any other provisions of the Series 2018 B Ordinance and this Series 2018 B Supplemental Parameters Resolution may be in conflict therewith.

SECTION 17. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, required or desirable in connection with the Series 2018 B Bonds, to the end that the Series 2018 B Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Agreement.

SECTION 18. The notice addresses for the Paying Agent, Registrar and Dissemination Agent shall be as follows:

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

REGISTRAR
United Bank
500 Virginia Street, East
Charleston, West Virginia 25301
ATTN: Corporate Trust Department

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

SECTION 19. The financing of a portion of the Costs of the Project with the Proceeds of the Series 2018 B Bonds and issuance of the Series 2018 B Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

SECTION 20. The Issuer hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Series 2018 B Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Series 2018 B Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The Mayor of the Issuer is authorized and directed to execute and deliver such further instruments or agreements as shall be required to provide further assurances of the Issuer's compliance with this covenant.

SECTION 21. The Mayor and City Clerk, and all other appropriate officers and employees of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Series 2018 B Bonds to be duly and properly issued by the Issuer and delivered to the Original Purchaser as herein authorized and to otherwise facilitate the transaction contemplated by this Series 2018 B Supplemental Parameters Resolution, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required.

[Remainder of Page Intentionally Blank]

SECTION 22. This Series 2018 B Supplemental Parameters Resolution shall be effective immediately following adoption hereof.

Adopted this 5th day of June, 2018.

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

[SEAL]

Attest:

_____
City Clerk

CERTIFICATION

Certified a true copy of a Series 2018 B Supplemental Parameters Resolution duly adopted by the Council of THE CITY OF MORGANTOWN on June 5 2018, which Series 2018 B Supplemental Parameters Resolution has not been repealed, rescinded, modified, amended or revoked, as of the date hereof.

By: _____
City Clerk

627490.00055

EXHIBIT A – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

CONFORMED ORDINANCE

See Tab 1

EXHIBIT B – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

FORM OF CERTIFICATE OF DETERMINATIONS

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2018 B

CERTIFICATE OF DETERMINATIONS

The undersigned, _____, Mayor of The City of Morgantown (the "Issuer"), in accordance with the Series 2018 B Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on _____, 2018 (the "Series 2018 B Supplemental Parameters Resolution"), with respect to the Issuer's Combined Utility System Revenue Bonds, Series 2018 B (the "Series 2018 B Bonds"), hereby finds and determines this ____ day of _____, 2018, as follows:

1. The Series 2018 B Bonds shall be dated _____, 2018 shall bear interest on _____ 1 and _____ 1 of each year commencing _____, 2018.

2. The Series 2018 B Bonds shall be issued in the aggregate principal amount of $_____. The interest rates on the Series 2018 B Bonds do not exceed 7.0%, being the maximum interest rate authorized by the Series 2018 B Ordinance.

3. The Series 2018 B Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2018 B Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2018 B Bonds shall [not] be subject to [optional and/or mandatory] redemption [as set forth on Schedule 2 attached hereto and incorporated herein.]

6. The Series 2018 B Bonds shall be sold to Merrill Lynch, Pierce, Fenner & Smith Incorporated (also known as "Bank of America"), on behalf of itself and Crews & Associates, Inc. (collectively, the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and a net original issue discount[premium] of $_____).

7. The forms of the Bond Purchase Agreement, the Tax Certificate, the Disclosure Agreement, the Official Statement, and the Rule 15c2-12 Certificate attached hereto are hereby approved.

8. [The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by _____ ("_____") to secure the payment of principal of, and interest on, the Series 2018 B Bonds will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Insurance Policy, and accordingly accepts the Municipal Bond Insurance Commitment (the "Series 2018 B Insurance Commitment")

dated _____, 2018. The Mayor is hereby authorized to execute the Insurance Commitment and deliver the same to _____.]

9. [Pursuant to the Series 2018 B Insurance Commitment, and, as permitted by Section 1_ of the Series 2018 B Supplemental Parameters Resolution, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Insurance Policy for the Series 2018 B Bonds are attached hereto as Exhibit A and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Series 2018 B Ordinance and applicable to the Series 2018 B Bonds.]

10. [The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by _____ ("_____") to fund the Series 2018 B Bonds Reserve Account will result in a cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Debt Service Reserve Insurance Policy, and accordingly accepts the Municipal Bond Debt Service Reserve Insurance Commitment (the "Series 2018 B Reserve Commitment") dated _____, 2018. The Mayor is hereby authorized to execute the Reserve Commitment and deliver the same to _____.]

11. [Pursuant to the Series 2018 B Reserve Commitment, and, as permitted by Section 15 of the Series 2018 B Supplemental Parameters Resolution, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 B Bonds Reserve Account are attached hereto as Exhibit B and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Ordinance and applicable to the Series 2018 B Bonds.]

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2018 B Bonds are within the parameters prescribed by the Series 2018 B Supplemental Parameters Resolution, and the Series 2018 B Bonds may be issued with such terms and conditions as authorized by the Series 2018 B Supplemental Parameters Resolution.

WITNESS my signature the day and year first written above.

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

627490.00055

SCHEDULE 1 – CERTIFICATE OF DETERMINATIONS

SERIES 2018 B BOND TERMS

Bond No.	Maturity Date (__ 1)	Principal Amount	Interest Rate	Price or Yield

SCHEDULE 2 – CERTIFICATE OF DETERMINATIONS

REDEMPTION PROVISIONS:

SERIES 2018 B BONDS

[to be inserted after pricing]

EXHIBIT A – CERTIFICATE OF DETERMINATIONS

PROVISIONS RELATING TO MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Commitment

[insert]

EXHIBIT B – CERTIFICATE OF DETERMINATIONS

PROVISIONS RELATING TO MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

Municipal Bond Debt Service Reserve Insurance Commitment

[insert]

EXHIBIT C – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

TAX COMPLIANCE POLICY

THE CITY OF MORGANTOWN (WEST VIRGINIA)

Purpose

Governmental issuers of tax-exempt and tax-credit bonds must comply with certain federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by The City of Morgantown, West Virginia (the "*Issuer*"), as the issuer, with these rules in connection with the issuance of the Issuer's Combined Utility System Revenue Bonds, Series 2018 B (the "*Tax-Exempt Bonds*"). It is understood and agreed by the Issuer, and the Issuer has covenanted to take all actions necessary to maintain the Tax-Exempt Bonds as tax-exempt state and local bonds.

Tax Requirements Associated with Sale and Issuance of Bonds

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

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

Expenditure of Proceeds for Governmental Costs

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

- Bond proceeds will be disbursed pursuant to the Bond Ordinance, and will be a written order of an Authorized Officer, stating the date, amount and purpose of the disbursement.

- Requisitions must identify the financed property in conformity with the Tax and Non-Arbitrage Certificate executed by the Issuer at closing, including any certifications as to the character and average economic life of the bond-financed property.

- Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a "declaration of intent" to reimburse the costs was adopted by The City. If proceeds are used for reimbursement, a copy of the declaration will be obtained

and included in the records for the Tax-Exempt Bonds, if not already part of the bond transcript.

- Requisitions will be in accordance with expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the Tax-Exempt Bonds.

- If the 18-month spending exception to rebate applies, expenditure of gross proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable:

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

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

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

Expenditure of Proceeds

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

- Reserve funds cannot exceed the least of 10% of bond proceeds, maximum annual debt service, or 125% of average annual debt service. The initial funding of any reserve fund will be measured against this limit.

- Only a small portion (5%) of the proceeds of Tax-Exempt Bonds can be used for operating expenses or other "working capital" costs. Requisitions for costs of the Project will accordingly be monitored to confirm that they are for capital costs of the Project.

- Investment earnings on sale proceeds of the Tax-Exempt Bonds will be tracked and will be requisitioned only for appropriate expenditures.

Use of Bond-Financed Property

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

- Average nonexempt use of bond-financed property over the life of the issue cannot exceed 10% of the proceeds.

- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property subject to the Bond Ordinance is bond-financed.

- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit, as set forth in the Tax Certificate.

- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a "remedial action" under the applicable Income Tax Regulations.

Investments and IRS Filings

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

- Guaranteed investment contracts ("*GIC*") will be purchased only using the three-bid "safe harbor" of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.

- Other investments will be purchased only in market transactions.

- Calculations of rebate liability will be performed annually by outside consultants.

- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.

- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

Records

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

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

- Retainable records pertaining to the Tax-Exempt Bonds include transcript of documents executed in connection with the issuance of the bonds (including authorizing resolutions, Bond Ordinance, Form 8038-G, and Tax Certificate) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.

- Retainable records pertaining to expenditures of bond proceeds include requisitions, accounting statements and final allocation of proceeds.

- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use and any reviewed documents relating to unrelated business activity.

- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

Amendment

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

Overall Responsibility

Overall administration and coordination of this policy is the responsibility of the Oversight Officer, as designated by the Mayor.

THE CITY OF MORGANTOWN, WEST VIRGINIA

_____

By: Mayor
Date:

EXHIBIT D – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

CONTINUING DISCLOSURE POLICY

Continuing Disclosure Policy of The City of Morgantown (attached) previously approved by Supplemental Resolution dated November 1, 2016 and hereby continued

CONTINUING DISCLOSURE POLICY

CONTINUING DISCLOSURE POLICIES AND PROCEDURES

FOR THE CITY OF MORGANTOWN, WEST VIRGINIA

Background

Pursuant to SEC Rule 15c2-12 (the "Rule"), issuers of obligations are required under most circumstances to file financial and operating information on an annual basis with the Municipal Securities Rulemaking Board (MSRB) using the Electronic Municipal Market Access system (EMMA- http://www.emma.msrb.org). The City of Morgantown, West Virginia (the "City") has issued or may issue obligations which are covered by the Rule (the "Obligations") and must comply with any required filings in a timely manner. These Policies and Procedures are intended to assure, for all Obligations of the City, that all filings required under the Rule are made timely and completely and meet all requirements of the Rule. The City has covenanted or will covenant to comply with the Rule through the execution and delivery of continuing disclosure agreements or certificates (each, a "Continuing Disclosure Undertaking") applicable to each issue of Obligations.

With respect to the City, the Rule requires that an underwriter, prior to purchasing or selling an issue of obligations in connection with a covered offering, determine that the City has undertaken in writing, with respect to that issue of Obligations, to provide the following information to the MSRB using EMMA and to the appropriate state information depository ("SID"), if any:

- By a specified date, annual financial and operating information for the City substantially similar to the financial information and operating data presented in the official statement for such issue (an "Annual Information Filing");

- By a specified date, if available, audited annual financial statements for the City ("Audited Financial Statements") and, if not available by the date required, unaudited financial statements with Audited Financial Statements within 10 business days of their availability;

- In a timely manner, notice of the occurrence of one or more of the listed events described in the Rule (a "Rule 15c2-12 Event Notice"); and

- In a timely manner, notice of a failure by the City to make the required Annual Information Filing and/or file the Audited Financial Statements on or before the date(s) specified in the Continuing Disclosure Undertaking ("Notice of Failure").

Note: **There is no SID currently in the State of West Virginia. If the State of West Virginia should establish a SID, the City also will be required to file all required information with the SID.**

Responsible Party; Maintenance of List and Files

The Responsible Party for the City shall be the City Manager of the City and any alternate or assistant as the City Manager shall appoint. The Responsible Party shall maintain a current list for each fiscal year identifying each issue of Obligations of the City outstanding during such fiscal year setting forth the name, original principal amount, date of issuance and CUSIP numbers for each such issue and the dates by which the Annual Information Filings and the Audited Financial Statements are required to be submitted to the MSRB using EMMA, such list to be accompanied by copies of the related Continuing Disclosure Undertakings.

Annual Information Filing Requirements

The Responsible Party shall be knowledgeable and familiar with the provisions of each Continuing Disclosure Undertaking as to the type, format and content of the financial and operating information to be included in each Annual Information Filing to be made thereunder and the timing requirements for the filing thereof.

Audited Financial Statements

Audited Financial Statements of the City, or such other Audited Financial Statements as required by a specific Continuing Disclosure Undertaking, are also required to be filed no later than the submission dates established under each Continuing Disclosure Undertaking. The Responsible Party shall be knowledgeable and familiar with the specific timing requirements for the filing of such Audited Financial Statements and, if not available by the date(s) required, the provisions regarding the filing of unaudited financial statements under the terms of each Continuing Disclosure Undertaking. In any event, the Audited Financial Statements shall be filed within 10 business days of their receipt and acceptance.

Notices of Failures to File

The Responsible Party shall be knowledgeable and familiar with the specific requirements for the filing of a Notice of Failure to make Annual Information Filings and/or to file Audited Financial Statements by the date(s) required under the terms of each Continuing Disclosure Undertaking.

Preparation

Approximately 90 days before the submission date for required filings established under each Continuing Disclosure Undertaking, the Responsible Party shall initiate the process of preparing the financial and operating information required to be submitted thereunder. The Responsible Party shall assemble the information available at that time and determine the scope of additional information to be required and also contact the auditors to establish a schedule for completion and submission for the Audited Financial Statements.

On or before the submission date established under each Continuing Disclosure Undertaking, the Responsible Party (either on its own behalf or through a dissemination agent which the City has engaged for such purpose) shall file the Annual Information Filing together with the Audited

Financial Statements. If the Audited Financial Statements are not then available, unaudited financial information shall be filed with the MSRB using EMMA and the Audited Financial Statements shall be filed within 10 business days of their receipt and acceptance.

The Responsible Party shall set calendar reminders in the City's recordkeeping systems.

Listed Events

The Rule also requires filing of a Rule 15c2-12 Event Notice upon the occurrence of certain listed events described in the Continuing Disclosure Undertakings. Attached hereto is a description of the listed events current as of the date of execution of these Policies and Procedures, but the Responsible Party shall review the EMMA web site from time to time to determine whether there have been any changes to the listed events for which a Rule 15c2-12 Event Notice is required. The Responsible Party shall provide a Rule 15c2-12 Event Notice to the MSRB using EMMA within 10 business days of occurrence of any such listed event.

Familiarity with EMMA Submission Process

The Responsible Party shall register with EMMA and review the on-line process of filing with EMMA located at www.emma.msrb.org in order to submit the required information. If the City engages the services of a dissemination agent to make required filings hereunder, the Responsible Party shall not be required to register with EMMA. A tutorial is available at the MSRB website and a practice submission is available as well.

The Responsible Party also shall enroll the City in EMMA's reminder system, so long as such system is available, to ensure timely performance of their responsibilities and obligations.

Training Efforts

To ensure adequate resources to comply with the Rule, the Responsible Party shall develop a training process aimed at providing additional assistance in preparing required information. The training process shall be conducted at least annually and shall encompass a review of the City's filing requirements under its existing Continuing Disclosure Undertakings, the EMMA submission process and an understanding of the timing requirements necessary for full compliance. Such training may occur in conjunction with other issuers of governmental bonds and may be coordinated and/or sponsored by an association of which the City is a member (e.g. the West Virginia Municipal League or the West Virginia Chapter of the Government Finance Officers Association).

Coordination Effort

The Responsible Party shall coordinate the preparation and submission of the required information with any dissemination agent which has been engaged by the City for such purpose to ensure full compliance with the requirements of the Rule and the Continuing Disclosure Undertakings.

Records Retention

The Responsible Party, or the dissemination agent at the direction of the Responsible Party, shall maintain records with respect to the filings with the MSRB using EMMA, including, but not limited to, EMMA posting receipts showing the dates and nature or contents of all filings for each issue of Obligations of the City outstanding during each fiscal year.

[Remainder of Page Intentionally Blank]

EVENTS FOR WHICH
RULE 15C2-12 EVENT NOTICES ARE REQUIRED
(Current as of November 17, 2014)

1. Principal and interest payment delinquencies.

2. Nonpayment-related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

7. Modifications to rights of security holders, if material.

8. Bond calls, if material.

9. Defeasances.

10. Release, substitution or sale of property securing repayment of the securities, if material.

11. Rating changes.

12. Tender offers.

13. Bankruptcy, insolvency, receivership or similar event of the City[†].

14. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

15. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

[†]This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

EXHIBIT E – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

FORM OF PRELIMINARY OFFICIAL STATEMENT

See Attached

THE CITY OF MORGANTOWN, WEST VIRGINIA

COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B (TAX EXEMPT)

CONFORMED BOND ORDINANCE

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THE CITY OF MORGANTOWN, WEST VIRGINIA

CONFORMED ORDINANCE

AN ORDINANCE AUTHORIZING THE DESIGN ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE POTABLE WATER PORTION AND STORMWATER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

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

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

WHEREAS, under the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to design, acquire, construct and equip extensions, additions, betterments and improvements for the Combined Utility System;

WHEREAS, the Issuer has determined that (A.) the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the Potable Water System (as hereinafter defined), specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir, and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of all or a portion of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements of certain water treatment plant assets, distribution lines, pump stations and storage tanks, specifically including, but not

limited to, automated meter reading equipment, and all necessary appurtenances, as determined by the Board; and (B.) the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the Stormwater System (as hereinafter defined), specifically including, but not limited to, stormwater piping, catchment structures, curbs and/or gutters, and all necessary appurtenances on Forrest Avenue, Valley View Avenue, Third Street and at Acorn Village/Tanglewood (collectively, the "Project"), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined to finance all or a portion of the costs of the Project through the issuance of its "The City of Morgantown, Combined Utility System Revenue Bonds, Series 2018 B", in the aggregate principal amount of not more than $50,000,000 (the "Series 2018 B Bonds");

WHEREAS, the Issuer has determined to enact this Ordinance to authorize the issuance of the Series 2018 B Bonds (the "Series 2018 B Ordinance"), such Series 2018 B Bonds to have such security and such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, Series 2018 B Bonds will be issued on a parity with the Prior Bonds and any Additional Parity Bonds (as hereinafter defined) with respect to their lien on and security interest in the Gross Revenues of the Combined Utility System, and the Series 2018 B Bonds shall contain such other terms and provisions as are hereinafter provided, all in the manner set forth herein; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City that its Series 2018 B Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, hereinafter defined;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF MORGANTOWN HEREBY ORDAINS:

ARTICLE I
DEFINITIONS, STATUTORY AUTHORITY, FINDINGS

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

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2018 B Bonds.

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

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

"Board" shall mean The City of Morgantown Utility Board, created by an ordinance of the Issuer, or any successor thereto, the authorized officer for which is the Board's General Manager.

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

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

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

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2018 B Bonds, shall initially mean the bond insurer, if any, named in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Series 2018 B Bonds.

"Bond Year" means with respect to each series of Series 2018 B Bonds the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2018 B Bonds, the Prior Bonds and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2018 B Bonds in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2018 B BONDS," attached hereto.

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

"City Clerk" or "Clerk" means the City Clerk of the Issuer.

"City Manager" means the City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2018 B Bonds for the proceeds representing the original purchase price thereof.

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

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

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

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

"Costs," "Costs of the Project" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation those costs set forth in Section 1.02C.

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

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

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any bank or national banking association, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issueror the Board as Depository Bank.

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

"DTC-eligible" means, with respect to the Series 2018 B Bonds, meeting the qualifications prescribed by DTC.

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

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

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

"Government Obligations" shall have the meaning set forth in the Supplemental Resolution.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the Combined Utility System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" include any gains from the sale or other

disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments, as hereinafter defined) or any Tap Fees (as hereinafter defined).

"Independent Certified Public Accountant" means the West Virginia State Tax Department or any licensed Certified Public Accountant or firm of licensed Certified Public Accountants that shall at any time hereafter be retained by the Issuer or the Board to prepare an independent annual or special audit of the accounts of the Combined Utility System or for any purpose except keeping the accounts of said Combined Utility System in the normal operations of its business and affairs, and specifically shall not include any Certified Public Accountant who is an employee of either the City or the Board.

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

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on then outstanding Bonds for the then current or any succeeding Fiscal Year.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by any Bond Insurer simultaneously with the delivery of the Series 2018 B Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2018 B Bonds, in accordance with the terms thereof.

“Municipal Bond Debt Service Reserve Insurance Policy” means, initially, a municipal bond debt service reserve insurance policy, and may, subsequently, mean a letter of credit, surety bond or other financial instrument.

"Net Proceeds" means the face amount of the Series 2018 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and less proceeds deposited in the Series 2018 B 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 2018 B Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses (as hereinafter defined).

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2018 B Bonds and is not acquired in order to carry out the governmental purpose of the Series 2018 B Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the Combined Utility System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs, fees and expenses of the Combined Utility System, fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds,

taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Ordinance" or "Bond Ordinance" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by supplemental resolution.

"Original Purchaser" means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2018 B Bonds directly from the Issuer, as determined by a resolution supplemental hereto.

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

"Paying Agent" means, initially, the West Virginia Municipal Bond Commission and any other paying agent for the Series 2018 B Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

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

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

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

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

"Project" means, collectively, the design, acquisition, construction and equipping of certain extensions, betterments and improvements to (A.) the Potable Water System (as hereinafter defined), specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir, and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of all or a portion of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements of certain water treatment plant assets, distribution lines, pump stations and storage tanks, specifically including, but not limited to, automated meter reading equipment, and all necessary appurtenances, as determined by the Board; and (B.) the Stormwater System (as hereinafter defined), specifically including, but not limited to, stormwater piping, catchment structures, curbs and/or gutters, and all necessary appurtenances on Forrest Avenue, Valley View Avenue, Third Street and at Acorn Village/Tanglewood.

"Purchase Price" for the purpose of computation of the Yield of the Series 2018 B Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2018 B Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2018 B Bonds of each maturity is sold or, if the Series 2018 B Bonds are privately placed, the price paid by the first buyer of the Series 2018 B Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2018 B Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2018 B Bonds.

"Qualified Investments" means and includes all investments permitted to be made by a municipality and political subdivision under the laws of the State, as enacted as of the date of enactment of this Bond Ordinance in West Virginia Code § 8-13-22a and 8-22-22a, and as may be amended or modified from time to time. In the event that the laws of the State would cease to provide guidance on permissible investments, the last applicable law of the State shall control such investments.

"Record Date" means the date or dates which shall be so stated in the Series 2018 B Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

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

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2018 B Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

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

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

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

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

“Series 2006 A Bonds” means the Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of $6,410,191.

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

“Series 2010 A Bonds” means the Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $37,950,000.

“Series 2010 B Bonds” means the Combined Utility System Revenue Bonds, Series 2010 B (West Virginia SRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $81,600.

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

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

“Series 2010 E Bonds” means the Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $100,000.

“Series 2010 F Bonds” means the Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $7,250,000.

“Series 2012 A Bonds” means the Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, dated August 24, 2012, issued in the original aggregate principal amount of $570,000.

"Series 2013 A Bonds" means the Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated August 22, 2013, issued in the original aggregate principal amount of $4,605,260.

"Series 2014 B Bonds" means the Combined Utility System Revenue Bonds, Series 2014 B, of the Issuer, dated July 13, 2014, issued in the original aggregate principal amount of $505,421.

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

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

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

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

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

"Series 2016 A Bonds" means the Combined Utility System Revenue Bonds, Series 2016 A, of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $69,755,000.

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

"Series 2016 B-2 Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green), of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $500,000. Pursuant to the terms and conditions of the Series 2016 B-2 Bonds, the outstanding principal of the Series 2016 B-2 Bonds is forgiven by the holder thereof on the last day of the Fiscal Year in which such principal is advanced. No repayment of any principal of the Series 2016 B-2 Bonds will occur and the Series 2016 B-s Bonds do not bear any interest. The Series 2016 B-2 Bonds are not secured by any lien on the Gross Revenues of the Combined Utility System.

"Series 2017 A Bonds" means the Combined Utility System Revenue Bonds, Series 2017 A (Bank Qualified), dated December 21, 2017, issued in the original aggregate principal amount of $2,695,000.

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

"Series 2018 B Bonds" means the Combined Utility System Revenue Bonds, Series 2018 B of the Issuer, authorized to be issued in the aggregate principal amount of not more than $50,000,000 pursuant to this Ordinance and the Supplemental Resolution.

"Series 2018 B Bonds Construction Fund" means the Series 2018 B Bonds Construction Fund created by Section 4.01 hereof.

"Series 2018 B Bonds Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2018 B Bonds Redemption Account" means the Redemption Account created in the Series 2018 B Bonds Sinking Fund by Section 4.02 hereof.

"Series 2018 B Bonds Reserve Account" means the Series 2018 B Bonds Reserve Account created in the Series 2018 B Bonds Sinking Fund by Section 4.02 hereof.

"Series 2018 B Bonds Sinking Fund" means the Series 2018 B Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2018 B Bonds Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2018 B Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2018 B Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2018 B Bonds.

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

"State" means the State of West Virginia.

“Stormwater System” means, collectively, the stormwater management and conveyance facilities of the Combined Utility System which specifically includes, but is not limited to, pipe, culverts, channels and watercourses, as presently existing in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereinafter acquired, constructed, or equipped for the Stormwater System, located both within, and outside of, the Issuer’s corporate boundaries.

"Supplemental Resolution" means, collectively, any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Supplemental Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Bond Insurer provisions (if any) and other terms of the Series 2018 B Bonds and authorizing the sale of the Series 2018 B Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2018 B Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

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

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

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

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

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

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

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

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

B. The Issuer presently owns and operates, through the Board, a public combined potable waterworks, sanitary sewerage, and stormwater, collectively the "Combined Utility System". It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the potable water supply for all customers of the Combined Utility System, that there be designed, acquired constructed and equipped certain extensions, additions, betterments and improvements to the Potable Water System and Stormwater System of the Combined Utility System, specifically the Project.

C. It is deemed necessary for the Issuer to issue its Combined Utility System Revenue Bonds, Series 2018 B, in the aggregate principal amount of not more than $50,000,000, to permanently finance all or a portion of the costs of design, acquisition, construction and equipping of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2018 B Bonds prior to and during acquisition, construction and/or equipping and for a period not exceeding 6 months after completion of acquisition, construction and equipping of the Project; amounts which may be deposited in the Series 2018 B Bonds Reserve Account; underwriter's discount, engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses; commitment fees; the premium for a Municipal Bond Insurance Policy; the premium for a Municipal Bond Debt Service Reserve Insurance Policy; letter of credit fees; discount; initial fees for the services of

registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2018 B 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 2018 B Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

D. The period of usefulness of the Combined Utility System after completion of the Project is not less than 40 years.

E. It is in the best interests of the Issuer that the Series 2018 B Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by Supplemental Resolution of the Issuer.

F. There are or will be outstanding obligations of the Issuer which will rank on a parity with the Series 2018 B Bonds as to liens, pledge, source of and security for payment, being the Issuer's Prior Bonds and any hereinafter issued Additional Parity Bonds, as provided in this Ordinance.

Prior to the issuance of the Series 2018 B Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 2000 A Bonds, Series 2000 B Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 B-1 Bonds and Series 2018 A Bonds to the issuance of the Series 2018 B Bonds on a parity with the Series 1992 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 B-1 Bonds and Series 2018 A Bonds. The Series 2010 A Bonds, Series 2010 F Bonds, Series 2014 B Bonds and Series 2016 A Bonds, and Series 2017 A Bonds do not require written consent from the holders thereof.

Other than the Prior Bonds, there are no other presently outstanding bonds or obligations of the Issuer which are secured by Gross Revenues or assets of the Combined Utility System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

G. The Issuer intends to issue the Series 2018 B Bonds, and to pledge for payment thereof, the Gross Revenues of the Combined Utility System, on a parity with one another and on a parity with such pledge in favor of the Holders of the Prior Bonds and any hereinafter issued Additional Parity Bonds.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the Combined Utility System will be sufficient to provide for the repair, maintenance and operation of the Combined Utility System, to pay the principal of and interest on the Series 2018 B Bonds and the Prior Bonds as and when it becomes due and reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2018 B Bonds, and secure the Series 2018 B Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the Combined Utility System, the monies in the Series 2018 B Bonds Sinking Fund, including the Series 2018 B Bonds Reserve Account therein, unexpended proceeds of the Series 2018 B Bonds and as further set forth herein.

J. The Series 2018 B Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in "EXHIBIT A – FORM OF SERIES 2018 B BONDS" attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K. All things necessary to make the Series 2018 B Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2018 B Bonds, will be timely done and duly performed.

L. The enactment of this Ordinance, the execution and issuance of the Series 2018 B Bonds and the amendment, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. Prior to construction, the Issuer will have complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the Combined Utility System and issuance of the Series 2018 B Bonds including but not limited to Chapter 24, Article 2, Paragraph 11 (l).

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2018 B Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Series 2018 B Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2018 B Bond and any other Series 2018 B Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01 Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not more than $55,000,000, of which up to $50,000,000 will be obtained from the proceeds of the Series 2018 B Bonds.

ARTICLE III
THE SERIES 2018 B BONDS

Section 3.01 Form and Payment of Bonds. No Series 2018 B Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2018 B Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2018 B Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2018 B Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2018 B Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2018 B Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2018 B Bonds shall be in default, Bonds issued in exchange for Series 2018 B Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2018 B Bonds surrendered.

The principal of, and the interest and premium, if any, on, the Series 2018 B Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2018 B Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2018 B Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2018 B Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Series 2018 B Bond in the principal amount of said Series 2018 B Bond then Outstanding.

Section 3.02. Execution of the Series 2018 B Bonds. The Series 2018 B Bonds shall be executed in the name of the Issuer by the Mayor, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2018 B Bonds shall cease to be such officer of the Issuer before the Series 2018 B Bonds so signed and sealed have been actually sold and delivered, such Series 2018 B Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2018 B Bonds had not ceased to hold such office. Any Series 2018 B Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Series 2018 B Bonds shall hold the proper office in the City, although at the date of such Series 2018 B Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2018 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2018 B Bond, substantially in the form set forth in "EXHIBIT A – FORM OF SERIES 2018 B BONDS" attached hereto and incorporated herein by reference with respect to the Series 2018 B Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2018 B Bond shall be conclusive evidence that such Series 2018 B Bond has been authenticated,

registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2018 B Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2018 B Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2018 B Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2018 B Bonds, in accepting any of said Series 2018 B Bonds, shall be conclusively deemed to have agreed that such Series 2018 B Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2018 B Bonds shall further be conclusively deemed to have agreed that said Series 2018 B Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2018 B Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2018 B Bonds. The Series 2018 B Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2018 B Bond, there shall be issued at the option of the Holder of the Series 2018 B Bonds or the transferee another Series 2018 B Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Series 2018 B Bond and of the same series, interest rate and maturity of said transferred Series 2018 B Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2018 B Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Series 2018 B Bonds, of the same maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2018 B Bond is exercised, Series 2018 B Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2018 B Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2018 B Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2018 B Bonds, the Registrar may impose a service charge. For every such transfer or exchange of Series 2018 B Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2018 B Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2018 B Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Series 2018 B Bond of like series, maturity and principal amount as the Series 2018 B Bond, so mutilated, destroyed, stolen or lost, in exchange and

upon surrender and cancellation of, such mutilated Series 2018 B Bond, or in lieu of and substitution for the Series 2018 B Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Series 2018 B Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2018 B Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Series 2018 B Bond shall have matured or be about to mature, instead of issuing a substitute Series 2018 B Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Series 2018 B Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Series 2018 B Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2018 B Bonds be at any time found by any one, and such duplicate Series 2018 B Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued as part of the Series 2018 B Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2018 B Bonds Redemption Account in accordance with Section 4.03 shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2018 B Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

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

3. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2018 B Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2018 B Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2018 B Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2018 B Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail or electronic transmission at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer and the registered owner of the Series 2018 B Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2018 B Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

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

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all Outstanding Series 2018 B Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2018 B Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Series 2018 B Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Series 2018 B Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar, and

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

If funds sufficient to redeem all Series 2018 B Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is conditioned on, and subject to, the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2018 B Bonds called for redemption of such fact and no holder of any Series 2018 B Bonds shall have any claim of any type, of law or in equity, against the Issuer.

Official notice of redemption having been given as aforesaid, the Series 2018 B Bonds, or portions of the Series 2018 B Bonds so to be redeemed, shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2018 B Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such Bond. All Series 2018 B Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2018 B Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Series 2018 B Bond is registered as the owner of such Series 2018 B Bond for the purpose of receiving payment of the principal of, and interest on, such Series 2018 B Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Series 2018 B Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 2018 B Bonds. For the purposes of paying all or a portion of the costs of the Project, capitalizing interest on the Series 2018 B Bonds, paying the premium for a Municipal Bond Insurance Policy, funding the Series 2018 B Bonds Reserve Account with proceeds of the Series 2018 B Bonds or paying the premium for a Municipal Bond Debt Service Reserve Insurance Policy, in an amount equal to the Series 2018 B Bonds Debt Service Reserve Requirement and paying costs in connection with the issuance of the Series 2018 B Bonds, or any or all such purposes, there shall be issued the Series 2018 B Bonds of the Issuer, in an aggregate principal amount of not more than $50,000,000. Said Series 2018 B Bonds shall be designated "Combined Utility System Revenue Bonds,

Series 2018 B" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in the Supplemental Resolution, and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2018 B Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2018 B Bonds shall be numbered from BR-1 consecutively upward. The Series 2018 B Bonds shall be dated; shall be in such aggregate principal amount (not to exceed $50,000,000); shall bear interest at such rate or rates, (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 35 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2018 B Bonds. A. The Series 2018 B Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2018 B Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2018 B Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2018 B Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2018 B Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2018 B Bond or any other evidence of ownership of the Series 2018 B Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2018 B Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2018 B Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2018 B Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2018 B Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of, or interest on, the Series 2018 B Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2018 B Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2018 B Bonds so redeemed, but DTC may retain such Series 2018 B Bonds and make an appropriate notation on the Series 2018 B Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2018 B Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2018 B Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2018 B Bonds, selecting the Series 2018 B Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2018 B

Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2018 B Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2018 B Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2018 B Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2018 B Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2018 B Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2018 B Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2018 B Bonds. In either of such events (unless in the case described in clause (iii) above, the Issuer appoints a successor securities depository), the Series 2018 B Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2018 B Bonds.

Section 3.12. Delivery of Series 2018 B Bonds. A. The Issuer shall execute and deliver the Series 2018 B Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2018 B Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2018 B Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2018 B Bonds to DTC for the benefit of the Original Purchaser;

(3) Copies certified by the City Clerk of this Ordinance and the Supplemental Resolution;

(4) The unqualified approving opinion upon the Series 2018 B Bonds by Bond Counsel; and

(5) Such other opinions, certificates and documents as shall be reasonably requested by the Original Purchaser.

Section 3.13. Form of Series 2018 B Bonds. The definitive Series 2018 B Bonds shall be in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2018 B BONDS" attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2018 B Bonds on behalf of the Issuer

and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2018 B Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2018 B Bonds. Upon the issuance and delivery of the Series 2018 B Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2018 B Bonds from the date thereof to the date of delivery thereof, if any, shall be deposited in the Series 2018 B Bonds Sinking Fund and applied to payment of interest on the Series 2018 B Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2018 B Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer.

3. An amount of the proceeds of the Series 2018 B Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2018 B Bonds Reserve Account; provided, that to the extent the Series 2018 B Bonds Reserve Requirement is satisfied in whole or in part from a Municipal Bond Debt Serve Reserve Insurance Policy, proceeds of the Series 2018 B Bonds shall be (i) paid to the Bond Insurer, via wire transfer, in an amount equal to the premium for the Municipal Bond Debt Service Reserve Insurance Policy and (ii) deposited in the Series 2018 B Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2018 B Bonds Reserve Requirement.

4. The amount of Series 2018 B Bond proceeds which, together with other monies or securities deposited therein, shall be equal to the Costs of Issuance of the Series 2018 B Bonds shall be deposited with the Depository Bank in the Series 2018 B Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2018 B Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2018 B Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2018 B Bonds Construction Fund established in Section 4.01 hereof and applied to Costs of the Project. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2018 B Bonds from which such proceeds are derived.

5. The balance of Series 2018 B Bonds proceeds, if any, shall be deposited in the Series 2018 B Bonds Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Series 2018 B Bonds Construction Fund. Disbursements from the Series 2018 B Bonds Construction Fund, except for payment of Costs of Issuance of the Series 2018 B Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Issuer, shall be made only for design, acquisition, construction and equipping of the Project, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2018 B Bonds Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the direction of the Board.

ARTICLE IV
COMBINED UTILITY SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other (except as set forth in this Section 4.01), and used solely for the purposes provided herein:

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

(2) Depreciation Fund (established by the Prior Ordinances);

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

(4) Series 2018 B Bonds Construction Fund; and

(5) Series 2018 B Bonds Cost of Issuance Fund.

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

(1) Series 1992 Bonds Sinking Fund (established by Prior Ordinances);

(2) Series 1992 Bonds Reserve Account established by Prior Ordinances);

(3) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);

(4) Series 2000 A Bonds Reserve Account established by Prior Ordinances);

(5) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances);

(6) Series 2000 B Bonds Reserve Account established by Prior Ordinances);

(7) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);

(8) Series 2006 A Bonds Reserve Account established by Prior Ordinances);

(9) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);

(10) Series 2007 A Bonds Reserve Account established by Prior Ordinances);

(11) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);

(12) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);

(13) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);

(14) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);

(15) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);

(16) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);

(17) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);

(18) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);

(19) Series 2010 F Bonds Sinking Fund (established by Prior Ordinances);

(20) Series 2010 F Bonds Reserve Account (established by Prior Ordinances);

(21) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);

(22) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);

(23) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);

(24) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);

(25) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances);

(26) Series 2014 B Bonds Reserve Account (established by Prior Ordinances);

(26) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances);

(28) Series 2015 A Bonds Reserve Account (established by Prior Ordinances);

(29) Series 2015 B Bonds Sinking Fund (established by Prior Ordinances);

(30) Series 2015 B Bonds Reserve Account (established by Prior Ordinances);

(31) Series 2015 C Bonds Sinking Fund (established by Prior Ordinances);

(32) Series 2015 C Bonds Reserve Account (established by Prior Ordinances);

(33) Series 2015 D Bonds Sinking Fund (established by Prior Ordinances);

(34) Series 2015 D Bonds Reserve Account (established by Prior Ordinances);

(35) Series 2015 E Bonds Sinking Fund (established by Prior Ordinances);

(36) Series 2015 E Bonds Reserve Account (established by Prior Ordinances);

(37) Series 2016 A Bonds Sinking Fund (established by Prior Ordinances);

(38) Series 2016 A Bonds Reserve Account (established by Prior Ordinances);

(39) Series 2016 B-1 Bonds Sinking Fund (established by Prior Ordinances);

(40) Series 2016 B-1 Bonds Reserve Account (established by Prior Ordinances);

(41) Series 2017 A Bonds Sinking Fund (established by Prior Ordinances);

(42) Series 2017 A Bonds Reserve Account (established by Prior Ordinances);

(43) Series 2018 A Bonds Sinking Fund (established by Prior Ordinances);

(44) Series 2018 A Bonds Reserve Account (established by Prior Ordinances);

(45) Series 2018 B Bonds Sinking Fund; and

(46) Series 2018 B Bonds Reserve Account

Section 4.03. Combined Utility System Revenues and Application Thereof. So long as any of the Series 2018 B Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

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

(1) The Issuer shall first, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to for payment of interest on the Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2016 A Bonds, Series 2016 B-1 Bonds and Series 2017 A Bonds; and (ii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2018 B Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2018 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2018 B Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2018 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2018 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2018 B Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2018 B Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2018 B Bonds Sinking Fund.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Sinking Funds for the Prior Bonds for the payment of principal of the Prior Bonds; and (ii) for deposit in the Series 2018 B Bonds Sinking Fund (and in the Series 2018 B Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of

each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2018 B Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2018 B Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2018 B Bonds on the next ensuing principal payment or mandatory Redemption Date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2018 B Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2018 B Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2018 B Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Reserve Accounts for the Prior Bonds; and (ii) if not funded upon issuance of the Series 2018 B Bonds with Series 2018 B Bond proceeds or with a Debt Service Reserve Insurance Policy, for deposit in the Series 2018 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2018 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2018 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2018 B Bonds Reserve Requirement; provided further, that if the amounts in the Series 2018 B Bonds Reserve Account, as a result of a decrease in value of the Series 2018 B Bonds Reserve Account below the Series 2018 B Bonds Reserve Account Requirement or any withdrawal from the Series 2018 B Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2018 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2018 B Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2018 B Bonds Reserve Account is less than the Series 2018 B Bonds Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2018 B Bonds Reserve Account for deposit into the Series 2018 B Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2018 B Bonds Reserve Account to an amount equal to the Series 2018 B Bond Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2018 B Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2018 B Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2018 B Bonds Reserve Account whenever and as long as the amount deposited therein, or the Municipal Bond Debt Service Reserve Insurance Policy pledged thereto, shall be equal to the Series 2018 B Bond Reserve Account Requirement.

Amounts deposited in, or pledged to, the Series 2018 B Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2018 B Bonds when due, when amounts in the Series 2018 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

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

(5) The Issuer shall next, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2.5% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Ordinances so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, or improvements or extensions to the Combined Utility System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such Reserve Account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2018 B Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2018 B Bonds, if any, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

D. Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2018 B Bonds, and any hereinafter issued Additional Parity Bonds all in accordance with the respective principal amounts then Outstanding.

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

Section 5.01. Investments. The Issuer, through the Board, shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

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

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

(A) Qualified Investments acquired for the Series 2018 B Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer, through the Board, shall, or shall cause the Bond Commission to, annually transfer from the Series 2018 B Bonds Reserve Account to the Series 2018 B Bonds Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2018 B Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2018 B Bonds Reserve Account an amount at least equal to the Series 2018 B Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2018 B Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If no longer funded with a Municipal Bond Debt Service Reserve Insurance Policy equal to the Series 2018 B Bonds Reserve Requirement and the amounts on deposit in the Series 2018 B Bonds Reserve Account shall, at any time, be less than the applicable Series 2018 B Bonds Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the respective sinking funds for the Prior Bonds and the Series 2018 B Bonds Sinking Fund and otherwise in accordance with Section 4.03(3).

(E) All amounts representing accrued and capitalized interest, if any, shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2018 B Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(F) Notwithstanding the foregoing, all monies deposited in the Series 2018 B Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the Issuer hereby

instructs the Mayor to take all actions necessary for the Issuer to comply with the continuing disclosure agreement.

Section 5.03. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2018 B Bonds in such manner and to such extent as may be necessary, so that such Series 2018 B Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Series 2018 B Bonds) so that the interest on the Series 2018 B 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 5.04. Tax Certificate, Rebates, and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2018 B Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2018 B Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the Combined Utility System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefore. The Issuer at its expense may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.04. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.04 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2018 B Bonds from gross income for federal income tax purposes.

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2018 B Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2018 B Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2018 B Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. The Series 2018 B Bonds not to be Indebtedness of the Issuer. The Series 2018 B Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the Combined Utility System, the monies in the Series 2018 B Bonds Sinking Fund and all accounts therein, the unexpended proceeds of the Series 2018 B Bonds or monies in the Series 2018 B Bonds Construction Fund, if any, all as herein provided. No Holder or Holders of any Series 2018 B Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2018 B Bonds or the interest thereon.

Section 6.03. Series 2018 B Bonds Secured by Pledge of Gross Revenues and Monies in Series 2018 B Bonds Sinking Fund. The payment of the debt service of all of the Series 2018 B Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the Combined Utility System on a parity with one another and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds and any hereinafter issued Additional Parity Bonds, and with respect to the Series 2018 B Bonds, all monies and securities in the Series 2018 B Bonds Sinking Fund, including the Series 2018 B Bonds Reserve Account therein, to the extent necessary to make the payments required under Section 4.03. The Gross Revenues derived from the Combined Utility System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, the Series 2018 B Bonds, and any hereinafter issued Additional Parity Bonds, and to make the payments into the Series 2018 B Bonds Sinking Fund, including the Series 2018 B Bonds Reserve Account therein, are pledged *pari passu* by the Issuer.

Section 6.04. Rates. Equitable rates or charges for the use of and service rendered by the Combined Utility System have been established all in the manner and form required by law. Copies of such rates and charges so established may be obtained from the Board by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the Combined Utility System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the Combined Utility System (i) to provide for all Operating Expenses of the Combined Utility System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such Gross Revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the Combined Utility System within 120 days following a determination of an Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

The Issuer expressly reserves the right to reduce the rates for the Combined Utility System, whether approved or in effect as of the date of issuance of the Series 2018 B Bonds, in the event that, based on a certificate of an Independent Certified Public Accountant, after any such decrease in rates, the Issuer will meet the requirements of this Section 6.04 and is not in default under any other provision of any ordinance authorizing any bonds or other indebtedness secured by the Gross Revenues of the Combined Utility System.

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

The Issuer either has, or will, obtain all permits required by state and federal laws for the acquisition, construction and equipping of the Project.

Section 6.06. Sale of the Combined Utility System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the Combined Utility System, except as provided by the Prior Ordinances. Additionally, so long as the Series 2018 B Bonds are Outstanding, the Combined Utility System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the Combined Utility System shall be immediately remitted to the Bond Commission for deposit in the Series 2018 B Bonds Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Revenues of the Combined Utility System.

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

such sale, lease or other disposition of such property, in excess of $5,000,000 and not in excess of $10,000,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the Combined Utility System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $10,000,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of (i) any applicable Bond Insurer, or (ii) if the Series 2018 B Bonds are not insured, the Holders, or their duly authorized representatives, of 60% in an amount of Series 2018 B Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer or the then Holders of the Series 2018 B Bonds for the disposition of the proceeds from the sale, lease or other disposition of such properties of the Combined Utility System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, payable from the Gross Revenues of the Combined Utility System which rank prior to, or equally, as to lien on and source of and security for payment from the Gross Revenues with the Series 2018 B Bonds and the Prior Bonds; and all obligations hereafter issued by the Issuer payable from the Gross Revenues of the Combined Utility System, except such Additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such Gross Revenues and in all other respects to the Series 2018 B Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2018 B Bonds, upon any of the income and revenues of the Combined Utility System pledged for payment of the principal of, and interest on the Series 2018 B Bonds in this Ordinance or upon the Combined Utility System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds are outstanding the limitations on the issuance of parity obligations set forth in the Prior Ordinances authorizing such bonds shall be applicable. In addition, no Additional Parity Bonds, as in this section defined, payable out of the Gross Revenues of the Combined Utility System shall be issued after the issuance of the Series 2018 B Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition, construction and/or equipping of additions, betterments and/or improvements for the Combined Utility System, refunding all or a portion of one or more series of the Series 2018 B Bonds and/or the Prior Bonds, refunding all or a portion of any series of Additional Parity Bonds hereinafter issued, paying claims which may exist against the revenues or facilities of the Combined Utility System, or all of such purposes.

No such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Certified Public Accountant reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the Combined Utility System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the date of issuance

of such Additional Parity Bonds, shall be not less than 115% of the Maximum Annual Debt Service on the following:

(1) The Series 2018 B Bonds then Outstanding;

(2) The Prior Bonds then Outstanding;

(3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

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

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

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

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean evidence of indebtedness, specifically including, but not limited to, bonds and notes issued under the provisions and within the limitations of the Act and this section, payable from the Gross Revenues of the Combined Utility System on a parity with the Series 2018 B Bonds and the Prior Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2018 B Bonds and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the Combined Utility System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the Combined Utility System of which is subordinate to the lien of the Series 2018 B Bonds, the Prior Bonds and any theretofore issued Additional Parity Bonds on such Gross Revenues (hereinafter “Subordinate Bonds”). Nothing contained in this Ordinance shall be deemed to limit or restrict the ability of the Issuer to issue Subordinate Bonds. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the Combined Utility System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Revenues with the Series 2018 B Bonds except in the manner and under the conditions provided in this section.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Series 2018 B Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in this Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2018 B Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense of the Combined Utility System, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation covering the following risks and in the following amounts:

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

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

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

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

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

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

The Issuer and/or the Board shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract with such contractor as security for the faithful performance of such contract.

The Issuer and/or the Board shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project.

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

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

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

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the Combined Utility System.

Section 6.13. Books and Records. The Board will keep books and records of the Combined Utility System, which shall be separate and apart from all other books, records and accounts of the Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the Combined Utility System. Any Holder of a Series 2018 B Bond shall have the right at all reasonable times to inspect the Combined Utility System, and all parts thereof, and all records, accounts and data of the Board relating thereto.

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

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

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

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

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

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2018 B Bonds, a statutory mortgage lien upon the Combined Utility System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2018 B Bonds and shall be on a parity with all series of the Series 2018 B Bonds and with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2018 B Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2018 B Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2018 B 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 2018 B Bonds during the terms thereof is, under the terms of such Series 2018 B 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 2018 B Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Combined Utility System, or if the Series 2018 B Bonds are for the purpose of financing more than one project, a portion of the Combined Utility System, and shall not exceed the proceeds used for the governmental use of that portion of the Combined Utility System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2018 B Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2018 B 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 2018 B 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 2018 B Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. Without limiting the generality of the foregoing, the Issuer agrees to comply with the provisions of the Tax Certificate, which are hereby incorporated herein. This covenant shall survive payment in full or defeasance of the Series 2018 B Bonds.

Section 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer may obtain a Municipal Bond Insurance Policy for all, or certain maturities, of the Series 2018 B Bonds. In the event such Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2018 B Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2018 B Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.19. Covenants Regarding the Municipal Bond Debt Service Reserve Insurance Policy. The Issuer may obtain a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 B Bonds Debt Service Reserve Account in an amount equal to the Series 2018 B Bonds Reserve Requirement. In the event such Municipal Bond Debt Service Reserve Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2018 B Bonds, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

In the event that the Issuer does not obtain a Municipal Bond Debt Service Reserve Insurance Policy contemporaneously with the issuance of the Series 2018 B Bonds, the Issuer may , so long as the Series 2018 B Bonds are outstanding, via the adoption of a Supplemental Resolution, fund the Series 2018 B Bonds Reserve Account with a Municipal Bond Debt Service Reserve Insurance Policy in an amount equal to the Series 2018 B Bonds Reserve Requirement and any additional covenants of the Issuer required by the Bond Insurer shall be set forth in such Supplemental Resolution, shall apply to the Series 2018 B Bonds, and shall be controlling in the event any other provisions of the Ordinance or any other Supplemental Resolution may be in conflict therewith.

Section 6.20. Continuing Disclosure Agreement. The Issuer shall deliver a Continuing Disclosure Agreement, Dissemination Agent Agreement or Continuing Disclosure Certificate in form acceptable to the Original Purchaser, the form of which shall be approved by the Supplemental Resolution, sufficient to ensure compliance with Rule 15c2-12, as it may be amended from time to time, and the Mayor is authorized and directed to execute and deliver such Continuing Disclosure Agreement on behalf of the Issuer, with such changes as the Mayor shall approve, such approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by the Mayor. The Mayor, City Manager and Clerk are further authorized to take all actions necessary for the Issuer to comply with the Continuing Disclosure Agreement.

Section 6.21 Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2018 B Bonds shall be and the same is hereby approved. The Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Mayor is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2018 B Bonds and as the Mayor may approve (the "Official Statement"). The execution of the Official Statement by the Mayor shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.22. Bond Purchase Agreement. The Series 2018 B Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2018 B Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2018 B Bond; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or Supplemental Resolution or in the Series 2018 B Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Bond Insurer; or

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

(D) If default occurs with respect to the Prior Bonds, the Prior Ordinances or any hereinafter issued Additional Parity Bonds or the respective ordinance authorizing the any hereinafter issued Additional Parity Bonds.

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

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

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

(C) Bring suit upon the Series 2018 B Bonds, as applicable;

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

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

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute, all pro rata, with respect to the Prior Bonds and the Series 2018 B Bonds, in accordance with the respective principal amounts then Outstanding.

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

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

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the Combined Utility System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Series 2018 B Bonds and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the Combined Utility System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Series 2018 B Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Gross Revenues of the Combined Utility System shall have been paid and made good, and all defaults under the provisions of this Ordinance and any Supplemental Resolution shall have been cured and made good, and all monies due hereunder or under any Supplemental Resolution have been paid in full, possession of the Combined Utility System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the Combined Utility System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Holders of the Series 2018 B Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the Combined Utility System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the Combined Utility System, for the sole purpose of the protection of both the Issuer and the Holders of the Series 2018 B Bonds, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said Combined Utility System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the Combined Utility System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Holders of the Series 2018 B Bonds will be adversely affected by any action taken pursuant to the

terms and provisions of this Ordinance, any trustee or Bondholder's committee representing the Holders of the Series 2018 B Bonds shall consider the effect on the Holders of the Series 2018 B Bonds as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Holders of the Series 2018 B Bonds. In case any Holder of the Series 2018 B Bonds shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Holder of the Series 2018 B Bonds shall be restored to their former positions and rights hereunder, and all rights and remedies of such Holder of the Series 2018 B Bonds shall continue as if no such proceedings had been taken.

ARTICLE VIII
REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2018 B Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2018 B Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2018 B Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2018 B Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

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

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2018 B Bonds, the first exchange of Series 2018 B Bonds and the exchange of Series 2018 B Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2018 B Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the

Series 2018 B Bonds, or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2018 B Bonds Outstanding.

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

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer or by the Holders of a majority in principal amount of the Series 2018 B Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the applicable Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided, that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2018 B Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within twenty (20) days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within forty-five (45) days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

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

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted, or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any

public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Series 2018 B Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The West Virginia Municipal Bond Commission shall initially serve as Paying Agent as required by the Act. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2018 B Bonds shall be and remain DTC-Eligible.

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

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within thirty (30) days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

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

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

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

ARTICLE IX
DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2018 B Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Gross Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2018 B Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2018 B Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2018 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2018 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2018 B Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Series 2018 B Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2018 B Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Series 2018 B Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X
MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2018 B Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2018 B Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Holder of the Series 2018 B Bonds or other person, be amended, modified or supplemented in any manner which, in the written opinion of Bond Counsel, does not materially adversely affect the interests of the Holder of the Series 2018 B Bonds or any Bond Insurer; provided, that in the event any of the Series 2018 B Bonds are insured, no such amendment or modification which

affects the rights of the applicable Bond Insurer for such Series 2018 B Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made (i) without the written consent of the Holders of 60% in aggregate principal amount of the Series 2018 B Bonds then Outstanding and affected thereby; or (ii) the Bond Insurer. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2018 B Bond without the express written consent of the Holder of such Series 2018 B Bond, nor reduce the percentage of Series 2018 B Bonds required for consent to any such modification or amendment.

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

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

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

C. The amount of fully registered Series 2018 B Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Series 2018 B Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

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

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

Section 10.04. Cancellation of Bonds. All Series 2018 B Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Series 2018 B Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2018 B Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

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

ISSUER

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

With copy to:

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

REGISTRAR

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

PAYING AGENT

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

DEPOSITORY BANK

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

ORIGINAL PURCHASER

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

BOND INSURER

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

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

Section 10.07. No Personal Liability. No member of the Council, the Board or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any of the Series 2018 B Bonds, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2018 B Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2018 B Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2018 B Bonds, the Bond Insurer and the Original Purchaser.

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

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

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

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Dominion Post*, a newspaper published and having a general circulation in The City of Morgantown, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2018 B Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 3rd day of January, 2017, at 7:00 p.m., in the Council Chambers of the City Hall, Morgantown and present protests, and that a certified copy of this

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

[Remainder of Page Intentionally Left Blank]

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

First Reading:	December 6, 2016
Second Reading:	December 20, 2016
Effective following Public Hearing held on:	January 3, 2017

THE CITY OF MORGANTOWN

_____
Mayor

[SEAL]

ATTEST:

_____
City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of THE CITY OF MORGANTOWN at a regular meeting of the City Council held on January 3, 2017, as supplemented by Supplemental Resolution duly adopted June 5, 2018.

Dated this ____ day of June, 2018.

[SEAL]

_____
City Clerk

EXHIBIT A – FORM OF SERIES 2018 B BONDS

[DTC Legend]

No. BR-_____

$_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a

default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the Costs of design, acquisition, construction and equipping of the Project; (ii) [to pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2018 B Bonds;] (iii) [to fund a reserve account for the Series 2018 B Bonds/to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds] in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iv) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on February 2, 2016, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

[The Series 2018 B Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Bond Insurer] .]

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

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

(2) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 B (WEST

VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,488,000 (THE "SERIES 2000 B BONDS");

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

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

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

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

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

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

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

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE

ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,586 (THE "SERIES 2015 B BONDS");

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

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

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

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

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

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A1 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

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

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Series 2018 B Bonds maturing on _____, 20_____ and 20_____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of

the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 1, 20

Year (1)	Principal Amount

---

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to

pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, [pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of and interest on the Series 2018 B Bonds], [fund a reserve account for the Series 2018 B Bonds/pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy] in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

[Manual or facsimile signature]
Mayor

ATTEST:

[Manual or facsimile signature]
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: _____, 2018.

_____,
As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of June __, 2018, is executed and delivered by and among The City of Morgantown (the "City") and the Morgantown Utility Board ("MUB" and, collectively with the City, the "Issuer"), and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through the services provided by DAC pursuant to this Disclosure Agreement and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the annual financial statements of the Issuer for the prior Fiscal Year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event Notice, Failure to File Event Notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event Notice, Failure to File Event Notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted by the Disclosure Dissemination Agent to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Disclosure Representative" means the duly appointed and acting City Manager of the City (the "City Manager") or the City Manager's designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements, the Material Event Notices, the Failure to File Material Event Notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds, as listed in Exhibit A.

"Trustee" means the institution, if any, identified as such in the document under which the Bonds were issued.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee (if any), not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the last day of the Fiscal Year immediately following the end of the Fiscal Year of the Issuer for which such Annual Report is due, commencing with the Fiscal Year ending June 30, 2018. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and

the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event Notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee (if any) for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;

(iv) upon receipt, promptly file the text of each Material Event Notice received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Material Event Notice as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"

2. "Non-Payment related defaults, if material;"

3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"

4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"

5. "Substitution of credit or liquidity providers, or their failure to perform;"

6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"

7. "Modifications to rights of securities holders, if material;"

8. "Bond calls, if material;"

9. "Defeasances;"

10. "Release, substitution, or sale of property securing repayment of the securities, if material;"

11. "Rating changes;"

12. "Tender offers;"

13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"

14. "Merger, consolidation, or acquisition of the obligated person, if material;" and

15. "Appointment of a successor or additional trustee (if any), or the change of name of a trustee (if any), if material;"

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking;"

2. "change in obligated person;"

3. "notice to investors pursuant to bond documents;"

4. "certain communications from the Internal Revenue Service;"other than those communications included in the Rule;

5. “secondary market purchases;”

6. “bid for auction rate or other securities;”

7. “capital or other financing plan;”

8. “litigation/enforcement action;”

9. “change of tender agent, remarketing agent, or other on-going party;”

10. “derivative or other similar transaction;” and

11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”

2. “Timing of annual disclosure (120/150 days);”

3. “change in Fiscal Year/timing of annual disclosure;”

4. “change in accounting standard;”

5. “interim/additional financial information/operating data;”

6. “budget;”

7. “investment/debt/financial policy;”

8. “information provided to rating agency, credit/liquidity provider or other third party;”

9. “consultant reports;” and

10. “other financial/operating data;”

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its Fiscal Year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one Fiscal Year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 11:59 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement as summarized on Exhibit D – FORM OF OPERATING DATA.

(b) Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Issuer is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bond holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

    Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee (if any) or the change of name of a trustee (if any), if material.

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice

Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided, that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two (2) business days of receipt of such notice (but in any event not later than the tenth (10th) business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided, that such date is not later than the tenth (10th) business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Issuer will provide the Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated, nor does the Issuer assume any ongoing responsibility, pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with

respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty (30) days written notice to the Disclosure Dissemination Agent and the Trustee (if any), replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty (30) days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided, neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than twenty (20) days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within ten (10) days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee (if any) for the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws); provided, however, that obligations of the Issuer shall be governed by, and construed and interpreted in accordance with, the laws of the State of West Virginia.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By:_____
Name:_____
Title:_____

THE CITY OF MORGANTOWN

By:_____
Name: Bill Kawecki
Title: Mayor

MORGANTOWN UTILITY BOARD

By:_____
Name: Timothy Ball
Title: General Manager

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	The City of Morgantown (West Virginia)
Obligated Person(s)	_____
Name of Bond Issue:	The City of Morgantown (West Virginia) Combined Utility System Revenue Bonds Series 2018 B
Date of Issuance:	_____ __, 2018
Date of Official Statement	_____ __, 2018

CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
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CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer:	The City of Morgantown
Obligated Person:	_____
Name of Bond Issue:	The City of Morgantown (West Virginia) Combined Utility System Revenue Bonds Series 2018 B
Date of Issuance:	_____ __, 2018
Date of Disclosure Agreement:	_____ __, 2018
CUSIP Number:	_____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of the Issuer

_____

cc:

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

The City of Morgantown

Issuer's Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

_____

Number of pages attached: _____

____ Description of Notice Events (Check One):

1._____"Principal and interest payment delinquencies;"
2._____"Non-Payment related defaults, if material;"
3._____"Unscheduled draws on debt service reserves reflecting financial difficulties;"
4._____"Unscheduled draws on credit enhancements reflecting financial difficulties;"
5._____"Substitution of credit or liquidity providers, or their failure to perform;"
6._____"Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7._____"Modifications to rights of securities holders, if material;"
8._____"Bond calls, if material;"
9._____"Defeasances;"
10._____"Release, substitution, or sale of property securing repayment of the securities, if material;"
11._____"Rating changes;"
12._____"Tender offers;"
13._____"Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14._____"Merger, consolidation, or acquisition of the obligated person, if material;" and
15._____"Appointment of a successor or additional trustee (if any), or the change of name of a trustee (if any), if material."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ __, 2018 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

The City of Morgantown

Issuer's Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

_____

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1._____"amendment to continuing disclosure undertaking;"
2._____"change in obligated person;"
3._____"notice to investors pursuant to bond documents;"
4._____"certain communications from the Internal Revenue Service;"
5._____"secondary market purchases;"
6._____"bid for auction rate or other securities;"
7._____"capital or other financing plan;"
8._____"litigation/enforcement action;"
9._____"change of tender agent, remarketing agent, or other on-going party;"
10._____"derivative or other similar transaction;" and
11._____"other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ __, 2018 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

The City of Morgantown

Issuer's Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

_____

Number of pages attached: _____

____ Description of Voluntary Financial Disclosure (Check One):

1._____"quarterly/monthly financial information;"
2._____"change in Fiscal Year/timing of annual disclosure;"
3._____"change in accounting standard;"
4._____"interim/additional financial information/operating data;"
5._____"budget;"
6._____"investment/debt/financial policy;"
7._____"information provided to rating agency, credit/liquidity provider or other third party;"
8._____"consultant reports;" and
9._____"other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT D
FORM OF OPERATING DATA

The City of Morgantown

Combined Utility System Revenue Bonds, CUSIP: 61759 CA

OPERATING DATA FOR FISCAL YEAR ENDED JUNE 30, 2017

In compliance with the requirements of the Continuing Disclosure Agreements executed by The City of Morgantown (West Virginia) in conjunction with the bonds issued with the above-referenced CUSIP, the following Operating Data with respect to the Combined Utility System operated, maintained and managed by the Morgantown Utility Board ("MUB") is provided for the above-stated Fiscal Year:

MUB Combined Utility System Retail Customer History

The average number of retail customers for the Combined Utility System for each of the past ten (10) Fiscal Years are as follows:

Fiscal Year (ended June 30)	*Water Customers*	*Water Growth Percentage*	*Sewer Customers*	*Sewer Growth Percentage*	*Stormwater Customers*	*Stormwater Growth Percentage*
2008	22,930	2.2%	16,982	2.6%	14,026	–
2009	23,333	1.8%	17,488	3.0%	14,311	2.0%
2010	23,786	1.9%	18,105	3.5%	14,428	0.8%
2011	24,129	1.4%	18,747	3.5%	14,535	0.7%
2012	24,509	1.6%	19,063	1.7%	14,616	0.6%
2013	25,261	3.1%	19,752	3.6%	14,620	0.0%
2014	25,459	0.8%	20,495	3.8%	14,623	0.0%
2015	25,748	1.1%	21,827	6.5%	14,850	1.6%
2016	25,909	0.6%	22,124	1.4%	15,173	2.2%
2017	26,200	1.1%	22,575	1.9%	15,260	0.5%

MUB Water System – Customer Data

The following table sets forth the total potable water sales by MUB in each of the last ten (10) Fiscal Years:

Fiscal Year (ended June 30)	*Residential*	*Commercial*	*Industrial*	*Public Authorities*	*Other/Resale*	*Total*
2008	$2,103,110	$867,818	$252,077	$584,108	$957,550	$4,764,663
2009	$2,318,377	$929,036	$275,450	$549,397	$1,150,244	$5,222,504
2010	$2,343,293	$984,890	$265,091	$531,366	$1,197,923	$5,322,563
2011	$2,392,492	$1,033,362	$285,208	$518,649	$1,178,934	$5,408,645
2012	$3,223,346	$1,494,901	$455,788	$718,485	$1,733,959	$7,626,479
2013	$4,145,424	$2,103,342	$638,978	$989,990	$2,232,964	$10,110,698
2014	$4,095,556	$2,113,502	$672,972	$978,035	$2,324,122	$10,184,187
2015	$4,072,301	$1,955,425	$824,349	$916,151	$2,354,942	$10,123,168
2016	$4,035,841	$1,934,279	$800,615	$919,494	$2,275,727	$9,965,956
2017	$5,124,413	$2,433,417	$1,100,497	$1,261,319	$2,990,082	$12,909,727

MUB Water System – Largest Customers

The following table sets forth the ten largest customers of the MUB Water System and related annual sales for the Fiscal Year ended June 30, 2017.

	Customer	*Consumption (gallons in 1,000s)*	*Sales*
1	West Virginia University	259,308	$957,755.99
2	Cheat View PSD - OWSS	273,339	$923,731.56
3	Clinton Water Association - OWSS	259,635	$877,576.71
4	Mylan Pharmaceuticals	134,014	$487,055.58
5	Clay Battelle PSD - OWSS	111,842	$377,520.77
6	Addivant	108,860	$370,248.24
7	Pleasant Valley PSD - OWSS	87,425	$297,203.90
8	WVU Hospital	73,353	$257,905.09
9	Morgantown Energy Association	74,554	$252,228.45
10	Star City Water System - OWSS	72,348	$247,874.18
	Totals	**1,454,678**	**$5,049,100.47**

*Resale Customer

The total Water System Gross Revenue for the Fiscal Year ended June 30, 2017 was $12,909,727. The ten largest water users represented 39% of the Water System Gross Revenue.

MUB Water System – Water Resale Customers

The following tables set forth information regarding MUB's Water Resale Customers for the most recent five (5) Fiscal Years.

MUB Water Resale Customers – Annual Gallons Bulk Water Purchased from MUB (000's omitted)

Resale Customer	*Fiscal Year 2017*	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*
Cheat View PSD	273,339	266,858	252,158	243,707	245,167
Clinton Water Ass'n	259,635	250,998	260,134	262,033	245,336
Clay Battelle PSD	111,842	123,838	124,343	135,788	124,374
Pleasant Valley PSD	87,425	83,350	108,955	115,482	107,160
Town of Masontown	40,192	42,701	45,016	40,794	38,705
Town of Star City	72,348	70,841	77,925	78,984	87,600
River Road PSD	39,952	51,643	46,288	41,902	42,116
Total	**884,733**	**892,229**	**914,819**	**918,690**	**890,458**

MUB Water Resale Customers – Annual Bulk Water Purchases from MUB

Resale Customer	*Fiscal Year 2017*	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*
Cheat View PSD	$923,732	$678,045	$645,044	$619,372	$629,950
Clinton Water Ass'n	$877,577	$637,888	$662,239	$667,767	$625,524
Clay Battelle PSD	$377,521	$314,275	$315,531	$344,507	$314,785
Pleasant Valley PSD	$297,204	$221,809	$299,439	$310,514	$298,866
Town of Masontown	$136,522	$108,998	$113,725	$104,587	$99,030

Town of Star City	$247,874	$184,411	$205,611	$203,983	$131,400
River Road PSD	$135,701	$130,028	$118,073	$107,129	$107,518
Total	**$2,996,131**	**$2,275,454**	**$2,359,662**	**$2,357,859**	**$2,207,499**

For the Fiscal Year ending June 30, 2017, sales of bulk water to the Water Resale Customers represented 23% of the Water System's Gross Revenue.

MUB Sewer System – Customer Data

The following table sets forth the total sanitary sewer collection and treatment sales by MUB in each of the last ten (10) Fiscal Years:

Fiscal Year (ended June 30)	*Residential*	*Commercial*	*Industrial*	*Public Authorities*	*Other/Resale*	*Total*
2008	$4,530,051	$1,473,390	$299,693	–	$629,086	$6,932,220
2009	$4,835,992	$1,317,109	$339,187	–	$712,505	$7,204,793
2010	$3,458,586	$1,903,921	$307,798	$1,274,932	$700,225	$7,645,462
2011	$3,531,058	$1,982,495	$313,247	$1,156,584	$785,867	$7,769,251
2012	$3,789,665	$2,243,995	$493,504	$1,307,667	$867,749	$8,702,580
2013	$4,242,666	$2,380,843	$426,778	$1,411,592	$861,492	$9,323,371
2014	$4,487,498	$2,447,661	$460,191	$1,401,645	$803,564	$9,600,559
2015	$5,079,237	$2,874,371	$454,779	$1,356,427	$712,508	$10,477,322
2016	$5,186,957	$3,008,484	$475,128	$1,365,651	$656,106	$10,692,326
2017	$7,788,657	$4,739,140	$1,666,297	$2,601,383	$1,341,231	$18,136,708

MUB Sewer System – Largest Customers

The following table sets forth the ten largest customers of the Sewer System and related annual sales for the Fiscal Year ended June 30, 2017.

	Customer	*Consumption (gallons in 1,000s)*	*Sales*
1	West Virginia University	257,939	$1,966,725.96
2	Mylan Pharmaceuticals	134,014	$1,233,149.12
3	City of Westover - Satellite	243,574	$684,444.20
4	WVU Hospital	74,479	$566,047.51
5	Morgantown Energy Association	74,554	$391,227.95
6	Decker's Creek PSD - Satellite	113,006	$317,548.44
7	RF Kennedy Youth Center	38,971	$292,390.29
8	Town of Star City - Satellite	87,600	$246,156.00
9	Mon General Hospital	27,064	$158,581.81
10	Cintas	18,748	$139,674.47
	Total	**1,069,949**	**$5,995,945.75**

* Resale Customer

The total Sewer System Gross Revenue for the Fiscal Year ended June 30, 2017 was $18,136,708. The ten largest sewer customers represented 33% of the Sewer System Gross Revenue.

MUB Sewer Resale Customers

The following tables set forth information regarding MUB's Sewer Resale Customers for the most recent five (5) Fiscal Years.

MUB Sewer Resale Customers – Annual Gallons Wastewater Treated by MUB (000's omitted)

Resale Customer	*Fiscal Year 2017*	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*
City of Westover	243,574	213,689	230,765	230,859	200,663
Deckers Creek PSD	113,006	103,074	103,994	115,570	151,686
Town of Star City	87,600	87,840	87,840	87,600	87,600
Town of Granville	33,125	32,801	42,636	46,912	35,323
Total	**477,305**	**437,404**	**465,235**	**480,941**	**475,272**

MUB Sewer Resale Customers – Annual Treatment Cost Billed by MUB

Resale Customer	*Fiscal Year 2017*	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*
City of Westover	$684,444	$320,534	$346,148	$346,289	$331,995
Deckers Creek PSD	$317,548	$154,611	$155,991	$173,356	$227,528
Town of Star City	$246,156	$131,760	$131,400	$131,040	$131,400
Town of Granville	$93,083	$49,201	$63,955	$70,368	$52,984
Total	**$1,341,231**	**$656,106**	**$697,494**	**$721,053**	**$743,907**

For the Fiscal Year ended June 30, 2017, payments for sewage transmission and treatment to MUB from the MUB Sewer Resale Customers represented 7% of the Sewer System Gross Revenue.

MUB Stormwater System – Largest Customers

The following table sets forth the largest customers of the MUB Stormwater System and related annual sales for the Fiscal Year ended June 30, 2017.

	Customer	*Impermeable Surface (in sq. ft.)*	*Revenue*
1	West Virginia University	10,294,678	$290,309.92
2	WVU Hospital	1,603,625	$45,222.24
3	Board of Education	1,490,980	$42,045.63
4	Mylan	1,050,333	$29,619.38
5	Monongalia General Hospital	984,335	$27,758.24
6	RF Kennedy Youth Center	914,792	$25,797.13
7	City of Morgantown	882,708	$24,892.36
8	Wal-Mart Stores	773,000	$21,798.59
9	GP Management	746,872	$21,061.78
10	US Dept. Energy NETL	632,970	$17,849.74
	Total	**19,374,293**	**$546,355.00**

The total stormwater operating revenue for the Fiscal Year ended June 30, 2017 was $1,898,317. The ten largest stormwater customers represented 29% of the Stormwater System Gross Revenue.

MUB Combined Utility System Historical and Projected Coverage**

	2013	2014	2015	2016	2017	2018*	2019*	2020*
Operating Revenues	$21,454,380	$21,978,283	$22,842,087	$22,935,561	$33,758,062	$34,248,901	$34,541,342	$34,806,113
Other Operating Revenues	636,572	488,258	470,265	445,763	526,357	425,177	425,177	425,177
Total Operating Revenues	**$22,090,952**	**$22,466,541**	**$23,312,352**	**$23,381,324**	**$34,284,419**	**$34,674,078**	**$34,966,519**	**$35,231,290**
Total O & M Expense	12,538,608	13,338,657	13,768,514	15,523,128	16,536,078	16,798,372	18,042,493	18,872,882
Depreciation Expense	5,593,277	8,050,420	8,398,878	8,692,352	8,710,463	9,341,447	9,959,944	12,357,773
Operating Income	**$3,959,067**	**$1,077,464**	**$1,144,960**	**-$834,157**	**$9,037,878**	**$8,534,259**	**$6,964,082**	**$4,000,635**
Non-Operating Income	665,919	1,072,566	-128,103	1,001,638	1,145,543	941,384	941,384	941,384
Available for Debt Service	**$10,218,263**	**$10,200,450**	**$9,415,735**	**$8,859,834**	**$18,893,884**	**$18,817,090**	**$17,865,410**	**$17,299,792**
Debt Service Requirement	$6,953,390	$6,990,740	$7,230,075	$7,300,490	$9,912,177	$14,090,231	$14,084,901	$14,073,554
Coverage	**1.47x**	**1.46x**	**1.30x**	**1.21x**	**1.906x**	**1.34x**	**1.27x**	**1.23x**

* Projected

** Preliminary, subject to change.

APPENDIX G

BOND INSURER

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM. The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2018 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $518.3 million, $97.4 million and $420.9 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

[APPENDIX H]

[SPECIMEN MUNICIPAL BOND INSURANCE POLICY]

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_____ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $_____
Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN

APPENDIX I [H]

SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

ISSUER: ISSUER_NAME, STATE_NAME

Policy No:

MEMBER: MEMBER_COMPANY, STATE_NAME

Effective Date:

BONDS: $_____ in aggregate principal amount of
,

Risk Premium: $_____
Member Surplus Contribution: $_____
Total Insurance Payment: $_____

Maximum Policy Limit: $

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

SPECIMEN

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. If the amount payable under this Policy is also payable under another BAM issued policy insuring the Bonds, payment first shall be made under this Policy to the extent of the amount available under this Policy up to the Policy Limit. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "**Business Day**" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. "**Debt Service Reserve Agreement**" means the Debt Service Reserve Agreement, if any, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time. "**Due for Payment**" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "**Nonpayment**" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. **"Notice"** means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "**Owner**" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. **"Policy Limit"** means the dollar

SPECIMEN

amount of the debt service reserve fund required to be maintained for the Bonds by the Security Documents from time to time (the "Reserve Account Requirement"), or the portion of the Reserve Account Requirement for the Bonds provided by this Policy as specified in the Security Documents or Debt Service Reserve Agreement, if any, but in no event shall the Policy Limit exceed the Maximum Policy Limit set forth above. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of or, if this Policy is only providing a portion of the Reserve Account Requirement, in the same proportion as, each reduction in the Reserve Account Requirement, as provided in the Security Documents or Debt Service Reserve Agreement. **"Security Documents"** means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement and any additional or supplemental document executed in connection with the Bonds. "**Term**" means the period from and including the Effective Date until the earlier of (i) the maturity date for the Bonds and (ii) the date on which the Bonds are no longer outstanding under the Security Documents.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy is being issued under and pursuant to and shall be construed under and governed by the laws of the State of New York, without regard to conflict of law provisions.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

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In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

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Schedule

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN

EXHIBIT A

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. _____ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Security Documents or Debt Service Reserve Agreement, if any, and, as of the date hereof, the Policy Limit is $_____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By:_____
Name:
Title:

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NEW ISSUE **RATINGS: See "Ratings" herein**

BOOK ENTRY ONLY

In the opinion of Steptoe & Johnson PLLC, Bond Counsel, under existing law and assuming continuing compliance with various requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to the Code and such interest is not a specific item of tax preference for purposes of the Federal individual or corporate alternative minimum taxes; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion that under the laws of the State of West Virginia, as presently written and applied, the Bonds and the interest thereon are exempt from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof. See West Virginia Code Section 8-20-5 and "APPENDIX D – PROPOSED FORM OF BOND COUNSEL OPINION" herein. The above opinions are subject to certain limitations and exceptions. See "TAX MATTERS" herein.

$44,260,000
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS
SERIES 2018 B

Dated: Date of Delivery **Due:** As shown on inside front cover

The Combined Utility System Revenue Bonds, Series 2018 B (the "Series 2018 B Bonds"), are being issued by The City of Morgantown, West Virginia (the "Issuer"), to provide funds, along with proceeds of the Series 2017 A Bonds (hereinafter defined): (i) to design, acquire, construct and equip certain additions, betterments and improvements to the Water System and Stormwater System of the Issuer's existing Combined Utility System (collectively, the "Project," as herein further described); (ii) to fund the Series 2018 B Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the "Series 2018 B Reserve Policy") from Build America Mutual Assurance Company ("BAM" or the "Reserve Policy Provider"); and (iii) to pay Costs of Issuance (defined herein) of the Series 2018 B Bonds and related costs.

Interest on the Series 2018 B Bonds is payable on each June 1 and December l, commencing December 1, 2018 (each, a "Payment Date"). So long as the Series 2018 B Bonds are maintained under a book-entry system, payments of the principal of, and premium, if any, and interest on, the Series 2018 B Bonds will be made when due by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owners in accordance with the Series 2018 B Ordinance (as herein after defined), and the Paying Agent will have no obligation to make any payments to any beneficial owner of any of the Series 2018 B Bonds. See "THE SERIES 2018 B BONDS" and "BOOK-ENTRY ONLY SYSTEM."

The Series 2018 B Bonds are subject to optional and mandatory redemption prior to maturity as set forth herein. See "THE SERIES 2018 B BONDS – Redemption Provisions for Series 2018 B Bonds" herein.

The Series 2018 B Bonds are limited special obligations of the Issuer payable solely from and secured by the Gross Revenues (herein defined) derived from the combined potable water, sanitary sewer and stormwater utility system of the Issuer, which is managed, operated and maintained by the Morgantown Utility Board ("MUB"), and any extensions, improvements and betterments thereto, specifically including, but not limited to, the Project (collectively, the "Combined Utility System"), on a parity with the Prior Bonds (herein defined), any Additional Parity Bonds (herein defined) that may hereafter be issued by the Issuer, and from funds on deposit in, or with respect to the Series 2018 B Reserve Account, the Series 2018 B Reserve Policy pledged thereto, the Series 2018 B Bonds Sinking Fund, and the unexpended proceeds of the Series 2018 B Bonds, all as more fully described herein. See "INTRODUCTION – Financing for the Project by the Issuer" herein.

The Series 2018 B Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, and the Issuer shall not be obligated to pay the Series 2018 B Bonds or the interest thereon except from the above-referenced Gross Revenues and the Series 2018 B Bonds Sinking Fund and Series 2018 B Bonds Reserve Account therein. The Series 2018 B Bonds shall not be general obligations of the Issuer. Neither the credit nor the taxing power of the Issuer shall be deemed to be pledged to, nor shall any tax ever be levied for, the payment of the principal of or interest on the Series 2018 B Bonds.

The Series 2018 B Bonds are issued in fully registered form in the denomination of $5,000 principal amount or any integral multiple thereof. Purchasers of the Series 2018 B Bonds will not receive certificates representing their interests in the Series 2018 B Bonds purchased. The Series 2018 B Bonds will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC").

The Series 2018 B Bonds Reserve Account shall be funded through the Series 2018 B Reserve Policy issued simultaneously with the delivery of the Series 2018 B Bonds by the Reserve Policy Provider in the amount equal to the Series 2018 B Bonds Reserve Requirement. For a description of the Series 2018 B Reserve Policy and the Reserve Policy Provider, see "SECURITY FOR THE SERIES 2018 B BONDS – Sources of Payment," "APPENDIX G – RESERVE POLICY PROVIDER" and "APPENDIX H – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY" herein.

The Issuer has authorized the issuance of its Combined Utility System Revenue Bonds, Series 2018 A-2, in the original aggregate principal amount of $140,715 (the "Series 2018 A-2 Bonds") on a parity with the Prior Bonds and the Series 2018 B Bonds. The closing on the Series 2018 A-2 Bonds is scheduled for July 2018.

This cover page contains only a brief description of the Issuer, the Project and the Series 2018 B Bonds and the security therefor. This cover page is not a summary of this Official Statement. Investors should read the entire Official Statement, including all Appendices, to obtain information essential to the making of an informed investment decision.

The Series 2018 B Bonds are offered for delivery when, as and if issued and received by the Underwriters, subject to prior sale and to withdrawal or modification of the offering, without notice, and to the unqualified approval of legality by Steptoe & Johnson PLLC, Bond Counsel to the Issuer. Steptoe & Johnson PLLC also serves as Disclosure Counsel to the Issuer and MUB in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the Underwriters by Jackson Kelly PLLC, Underwriters' Counsel. Certain legal matters will be passed upon for the Issuer by special counsel, Steptoe & Johnson PLLC. Certain legal matters will be passed upon for MUB by its counsel, Tim Stranko PLLC. It is expected that the Series 2018 B Bonds will be available for delivery through The Depository Trust Company on or about June 28, 2018.

Dated: June 21, 2018

BofA Merrill Lynch Crews & Associates, Inc.

$44,260,000
The City of Morgantown (West Virginia)
Combined Utility System Revenue Bonds, Series 2018 B

MATURITIES, AMOUNTS AND INTEREST RATES

$15,830,000 Serial Bonds

Maturity Date (December 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP No.**
2019	970,000.00	5.000%	1.620%	104.741	61759C CJ5
2020	485,000.00	5.000%	1.800%	107.558	61759C CK2
2021	535,000.00	5.000%	1.970%	109.986	61759C CL0
2022	585,000.00	5.000%	2.090%	112.236	61759C CM8
2023	645,000.00	5.000%	2.240%	114.023	61759C CN6
2024	190,000.00	3.000%	2.420%	103.430	61759C CP1
2025	220,000.00	3.000%	2.570%	102.888	61759C CQ9
2026	255,000.00	3.000%	2.710%	102.170	61759C CR7
2027	295,000.00	3.000%	2.830%	101.396	61759C CS5
2028	335,000.00	3.000%	2.940%	100.511*	61759C CT3
2029	385,000.00	3.000%	3.080%	99.232	61759C CU0
2030	435,000.00	3.125%	3.220%	99.031	61759C CV8
2031	495,000.00	3.125%	3.260%	98.540	61759C CW6
2032	990,000.00	3.250%	3.360%	98.748	61759C CX4
2033	1,215,000.00	5.000%	3.110%	116.030*	61759C CY2
2034	1,330,000.00	5.000%	3.160%	115.568*	61759C CZ9
2035	1,430,000.00	3.500%	3.600%	98.711	61759C DA3
2036	1,540,000.00	5.000%	3.230%	114.925*	61759C DB1
2037	1,675,000.00	5.000%	3.270%	114.559*	61759C DC9
2038	1,820,000.00	5.000%	3.290%	114.376*	61759C DD7

$19,585,000 5.000% Term Bonds due December 1, 2043 at 3.410% Yield 113.290* Price CUSIP**: 61759C DE5

$8,845,000 4.000% Term Bonds due December 1, 2048 at 3.900% Yield 100.814* Price CUSIP**: 61759C DF2

* Priced to the first optional call date of June 1, 2028.

** CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services ("GCS") operated by S&P Capital IQ base and does not serve in any way as a substitute for the CGS. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of investors. Neither the Issuer nor the Underwriter is responsible for the selection or uses of these CUSIP members, and no representation is made as to their correctness on the Series 2018 B Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2018 B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of a secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2018 B Bonds.

THE CITY OF MORGANTOWN

MAYOR

Bill Kawecki, Mayor

COUNCIL

Rachel Fetty
Ryan Wallace
Jennifer Selin
Ron Dulaney, Jr.
Mark Brazaitis
Barry Lee Wendell

CITY MANAGER

Paul J. Brake

CITY CLERK

Linda L. Tucker

SPECIAL COUNSEL TO THE CITY OF MORGANTOWN

Steptoe & Johnson PLLC

MORGANTOWN UTILITY BOARD

J.T. Straface
John Ganz
Ron Bane
Tom Witt
William Rice

GENERAL MANAGER OF MORGANTOWN UTILITY BOARD

Timothy Ball, P.E.

COUNSEL TO MORGANTOWN UTILITY BOARD

Tim Stranko PLLC

BOND COUNSEL AND DISCLOSURE COUNSEL

Steptoe & Johnson PLLC

PAYING AGENT

West Virginia Municipal Bond Commission

REGISTRAR

United Bank

UNDERWRITERS

BofA Merrill Lynch
Crews & Associates, Inc.

UNDERWRITERS' COUNSEL

Jackson Kelly PLLC

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2018 B Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the Issuer, MUB or the Underwriters to give any information or to make any representations, other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from the Issuer, MUB and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and any expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, MUB or the Combined Utility System since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

The information contained in this Official Statement has been obtained from the Issuer, MUB and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by, any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, MUB or the Combined Utility System.

The Series 2018 B Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the Combined Utility System, and from the funds on deposit in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, and the unexpended proceeds of the Series 2018 B Bonds, all as herein provided. No Holder or Holders of the Series 2018 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2018 B Bonds or the interest thereon.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected," "assumed" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

You should make your own decision whether this offering meets your investment objectives and risk tolerance level. No federal or state securities commission has approved, disapproved, endorsed or recommended this offering. No independent person has confirmed the accuracy or truthfulness of this disclosure, nor whether it is complete. The Issuer is relying on an exemption from registration by qualification under the West Virginia Securities Act.

The Series 2018 B Ordinance has not been qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom.

The following sentence has been provided by the Underwriters for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their

responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Series 2018 B Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency has determined or confirmed the accuracy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2018 B BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

$44,260,000
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTRODUCTION

General

This Official Statement, including the cover page and the Appendices herein, is provided to set forth certain information concerning the issuance by The City of Morgantown, a political subdivision and municipal corporation of the State of West Virginia (the "Issuer" or "City"), of $44,260,000 in aggregate principal amount of its Combined Utility System Revenue Bonds, Series 2018 B (the "Series 2018 B Bonds"). The Series 2018 B Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and an ordinance enacted by the Council of the Issuer on January 3, 2017, supplemented by a Supplemental Parameters Resolution and Conformed Ordinance adopted by the Council of the Issuer on June 5, 2018, and a Certificate of Determinations executed by the Mayor of the Issuer on June 21, 2018 (said ordinance, as so supplemented, is collectively referred to herein as the "Series 2018 B Ordinance").

Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings ascribed thereto in the Series 2018 B Ordinance.

The City of Morgantown

The Issuer is a municipality of approximately 30,000 residents located in Monongalia County, West Virginia (the "County"). The Issuer, through the Morgantown Utility Board ("MUB") (hereinafter described), provides potable water treatment, storage and distribution service (collectively, the assets specifically including, but not limited to, real and personal property, associated with providing such service, as presently and hereafter existing, the "Water System"), sanitary sewerage collection and treatment service (collectively, the assets specifically including, but not limited to, real and personal property, associated with providing such service, as presently and hereafter existing, the "Sewer System") and stormwater management, conveyance and containment service (collectively, the assets specifically including, but not limited to, real and personal property, associated with providing such service, as presently and hereafter existing, the "Stormwater System") to the residents of the Issuer, as well as to customers located in surrounding municipalities and unincorporated areas of the County, both directly as retail customers and through bulk sales to surrounding utilities. Pursuant to the Act, the Issuer enacted an ordinance on September 1, 1987 (as supplemented, the "MUB Ordinance"), creating the Morgantown Utility Board ("MUB") for the purpose of operating, managing and maintaining the Water System and the Sewer System as a combined waterworks and sewer sewerage system under the Act. Pursuant to an ordinance enacted by the Council of the Issuer on May 21, 2002, a stormwater utility was created, the management, control and operation of which was vested in MUB. Pursuant to an ordinance enacted by the Council of the Issuer on May 1, 2007, the Stormwater System was combined with the existing combined waterworks and sewerage system to create a combined waterworks, sewerage and stormwater system, as authorized by the Act (collectively, the "Combined Utility System"), all of which is operated, managed and maintained by MUB.

Pursuant to the Act, the Issuer, through its City Council, retains the following authority with respect to MUB and the Combined Utility System:

a. Appointment of the members of the Board of Directors of MUB;

b. Authorization of changes in rates and charges for the Water System, Sewer System and Stormwater System;

c. Issuance of bonds, notes and other debt obligations secured by the Revenues of the Combined Utility System;

d. Approval of capital projects for the Water System and Sewer System which are not "in the normal course of business;" and

e. Approval of real property condemnations for the Combined Utility System.

The Combined Utility System is an "enterprise" of the Issuer and, as such, the Gross Revenues from, and assets of, the Combined Utility System may only be used for the purposes of the Combined Utility System. Gross Revenues are defined in the Series 2018 B Ordinance as:

> 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" include any gains from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets, including Qualified Investments or any Tap Fees. See "APPENDIX E – SERIES 2018 B ORDINANCE" herein.

Morgantown Utility Board

MUB has control over, and is responsible for, all aspects of the management, operation, maintenance, expansion and improvement of the Combined Utility System with the exception of the powers specifically reserved to City Council pursuant to the Act, as set forth above. MUB operates as an independent and autonomous agency of the City, funded entirely from the Gross Revenues of the Combined Utility System.

MUB provides retail potable water service to approximately 26,200 service connections and retail sewer service to approximately 22,575 service connections. The Stormwater System serves 15,260 customers in the City and surrounding unincorporated areas. MUB provides wholesale potable water and/or wastewater conveyance and treatment to a variety of surrounding public utilities which serve, in aggregate, approximately 17,900 customers in their respective service territories. See "THE ISSUER AND THE MORGANTOWN UTILITY BOARD" herein.

Use of the Series 2018 B Bonds Proceeds

The net proceeds from the sale of the Series 2018 B Bonds will be applied as follows: (i) to pay, along with proceeds of the Series 2017 A Bonds (hereinafter defined), the costs to design, acquire, construct and equip certain additions, betterments and improvements to the Water System and Stormwater System of the Combined Utility System (collectively, the "Project," as hereinafter more fully described); (ii) to fund the Series 2018 B Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the "Series 2018 B Reserve Policy") from Build America Mutual Assurance Company ("BAM" or the "Reserve Policy Provider"); and (iii) to pay costs of issuance of the Series 2018 B Bonds and related costs. See "INTRODUCTION – "PURPOSE AND PLAN OF FINANCING" herein.

The portion of the proceeds of the Series 2018 B Bonds to be used to finance the Costs of the Project shall be deposited in a segregated account known as the Series 2018 B Bonds Construction Account. The proceeds of the Series 2018 B Bonds will be invested in Permitted Investments pursuant to the Series 2018 B Ordinance.

Security and Sources of Payment for the Series 2018 B Bonds

The Series 2018 B Bonds are payable solely from and secured by the Gross Revenues derived from the Combined Utility System of the Issuer, on a parity with the Prior Bonds (hereinafter defined), and any Additional Parity Bonds (hereinafter defined) that may hereafter be issued by the Issuer as permitted by the Series 2018 B Ordinance (the Series 2018 B Bonds, the Prior Bonds and any such Additional Parity Bonds, are collectively referred to herein as the "Bonds"), from the unexpended proceeds of the Series 2018 B Bonds, and from funds on deposit in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Reserve Policy pledged to, and any funds on deposit in, the Series 2018 B Bonds Reserve Account, established for the Series 2018 B Bonds under the Series 2018 B Ordinance.

The Series 2018 B Bonds are limited special obligations of the Issuer. The Series 2018 B Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation on indebtedness, and the Issuer shall not be obligated to pay the principal of the Series 2018 B Bonds, or the interest or premium, if any, thereon, except from the Gross Revenues and funds on deposit in the Series 2018 B Bonds Sinking Fund, the Series 2018 B Bonds Reserve Account established therefor, and the unexpended proceeds of the Series

2018 B Bonds. Pursuant to the Series 2018 B Ordinance, the Issuer has covenanted and agreed that the schedule or schedules of rates and charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 115% of the Maximum Annual Debt Service on the Bonds then outstanding in any Fiscal Year. See "SECURITY FOR THE SERIES 2018 B BONDS – Rate Covenant" herein.

The Series 2018 B Bonds will be dated, will mature, will bear interest and will be subject to redemption prior to maturity as more fully described under the heading "THE SERIES 2018 B BONDS" herein. The Series 2018 B Bonds will initially be maintained under a book-entry system. So long as the Series 2018 B Bonds are maintained under a book-entry system, the manner of payment, the denominations, the transfer and exchange of ownership and the method of providing notice of redemption to the owners of the Series 2018 B Bonds shall be determined as described in "APPENDIX C – BOOK-ENTRY ONLY SYSTEM" herein. If the book-entry system is discontinued for any reason, principal of, and interest and premium, if any, on the Series 2018 B Bonds will be payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent") to the owners thereof at the address appearing in the books kept by United Bank, Charleston, West Virginia as registrar (the "Registrar"). For further information describing the method of payment and other matters in the event the book-entry system is discontinued, see "THE SERIES 2018 B BONDS" herein and "APPENDIX E – SERIES 2018 B ORDINANCE" herein.

There are outstanding obligations of the Issuer which will rank on parity with the Series 2018 B Bonds as to lien, pledge, source of and security for payment. See "SECURITY FOR THE SERIES 2018 B BONDS" herein. The Issuer may issue additional bonds on parity with the Series 2018 B Bonds and the Prior Bonds ("Additional Parity Bonds") for the purpose of financing the costs of design, acquisition, construction and/or equipping of additions, betterments or improvements to the Combined Utility System, to refund all or a portion of one or more series of Bonds or any hereinafter issued Additional Parity Bonds, to pay claims which may exist against the revenues or facilities of the Combined Utility System or all of such purposes, subject in each case to certain tests and conditions provided for in the Series 2018 B Ordinance and the Prior Ordinances. See "SECURITY FOR THE SERIES 2018 B BONDS – Additional Parity Bonds" herein.

Brief descriptions of the Series 2018 B Bonds, the Project, the Combined Utility System, the Series 2018 B Ordinance, certain provisions of the Act and the Undertaking (hereinafter defined) are set forth in this Official Statement, as well as other information in the Appendices herein. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Series 2018 B Ordinance, the Undertaking, the Act and other documents, statutes, reports or instruments are qualified in their entirety by reference to such documents, statutes, reports or instruments. References herein to the Series 2018 B Bonds are qualified in their entirety by reference to the form thereof included in the Series 2018 B Ordinance and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement have the meanings given to them in the Series 2018 B Ordinance. See "APPENDIX E – SERIES 2018 B ORDINANCE" herein.

PURPOSE AND PLAN OF FINANCING

The Project

The Series 2018 B Bonds are being issued to: (i) provide funds, along with a portion of the proceeds of the Series 2017 A Bonds (as hereinafter defined), to pay the costs of design, acquisition, construction and equipping of certain additions, betterments and improvements for the Stormwater System of the Combined Utility System, and provide funds to pay the costs of design, acquisition, construction and equipping of certain additions, betterments and improvements to the Water System, specifically including, but not limited to, the design, acquisition, construction and equipping of a new raw water reservoir and all or a portion of a raw water transmission line from the new reservoir to the water treatment plant, and either, both or none of the following depending upon the availability of funds: (A) the acquisition and installation of emergency generators and attendant maintenance building to serve certain facilities in the Water System; and/or (B) the design, acquisition, construction and equipping of extensions, betterments and improvements of certain water treatment plant assets, distribution lines, pump stations and storage tanks, and all necessary appurtenances, as determined by the Board, specifically including, but not limited to, automated meter reading equipment (collectively, the "Project"); (ii) pay the premium for the Series 2018 B Reserve Policy from the Reserve Policy Provider to fund the Series 2018 B Bonds Reserve Account; and (iii) pay the costs of issuance of the Series 2018 B Bonds and related costs.

The Project includes design, acquisition, construction and equipping of addition, betterments and improvements to the both the Water System and the Stormwater System. Proceeds of the Series 2018 B Bonds in

the approximate amount of $47,838,082 will be deposited in the Series 2018 B Bonds Construction Fund. The total construction cost of the Water System portion of the Project is $47,138,082, which will be paid from the proceeds of the Series 2018 B Bonds. The total construction cost of the Stormwater System portion of the Project is $1,600,922, of which $700,000 will be paid from the proceeds of the Series 2018 B Bonds. The remaining Costs of the Project associated with the additions, betterments and improvements for the Stormwater System not financed with proceeds of the Series 2018 B Bonds will be financed from the proceeds of the Series 2017 A Bonds, as hereinafter described.

The Project – Water System Portion

The new raw water reservoir ("Cobun Creek Reservoir #2") will include construction of an engineered earthen dam which will contain an approximately 370 million gallons of raw water supply on Cobun Creek immediately upstream of the existing Cobun Creek Reservoir #1. Upon completion, Cobun Creek Reservoir #2 will provide a third source of raw water for the Water System, providing an additional 33.6 days of supply at current usage rates. A 30 inch raw water pipeline approximately 19,500 feet in length will also be constructed from Cobun Creek Reservoir #2 to the existing water treatment plant (the "Raw Water Line"). MUB will also undertake the following environmental remediation projects in connection with the permitting of Cobun Creek Reservoir #2: removal of dam and reservoir at Appalachian Lake and restoration of Fike's Run Stream, both located in Preston County, West Virginia. If construction monies allocable to the Water System remain following the completion of the Cobun Creek Reservoir #2 and the Raw Water Line, MUB may, in its discretion, use all or a portion of such funds to install emergency diesel powered generators, and related maintenance building, for standby power at the water treatment plant or acquire, construct and equip other additions, betterments and improvements for the Water system, such as automated water meter reading equipment. MUB anticipates that the acquisition, construction and equipping of the Water System portion of the Project will be completed in approximately 27 months.

The goals of the Water System portion of the Project include the following:

- Improve the reliability of the water system to withstand potential disruption of the raw water supply and/or the electrical service necessary to power the treatment / pumping processes.
- Raw water security in compliance with the standards of Homeland Security
- Water quantity and quality protection
- Fast and consistent flow of raw water from Cobun Creek Reservoir #2 through Raw Water Line, protecting life and property and alleviating erosion from stream transmission

With one exception, all required permits for the Water System portion of the Project have been obtained, specifically including, but not limited to, the permit from the United States Army Corps. of Engineers for construction of the earthern dam. MUB has, however, applied for, and is waiting on, a permit from the United States Federal Bureau of Prisons (the "FBOP") for the construction of a portion of the Raw Water Line which is planned to occur on property owned by the United States of America and operated by the FBOP (the "FBOP Property"). MUB anticipates receiving such permit within a time period that will allow the entirety of the Raw Water Line to go to construction. In the event the FBOP permit is not received, the portion of the Raw Water Line located on the FBOP Property will not be constructed and the stream which already exists on the FBOP Property will be used to transport the raw water. In such event, the construction cost of the portion of the Raw Water Line on the FBOP Property, approximately $2,300,000.00, will be used to finance other improvements in the Water System.

The Project – Stormwater System Portion

MUB is in the process of design, acquisition, construction and equipping of certain additions, betterments and improvements to the Stormwater System, specifically including, but not limited to, stormwater piping, catchment structures, curbs and/or gutters, and all necessary appurtences on Forrest Avenue, Valley View Avenue, Third Street and at Acorn Village/Tanglewood, all within the MUB Stormwater System. In December, 2017, the Issuer issued its Combined Utility System Revenue Bonds, Series 2017 A (Bank Qualified), in the aggregate principal amount of $2,695,000 for the purposes of refinancing the Issuer's Combined Utility System Revenue Bonds, Series 2012 C and to pay a portion the cost of the above-referenced additions, betterments and improvements for the Stormwater System in the amount of $900,922. The remaining construction cost of the aforementioned additions, betterments and improvements, which constitute the Stormwater Portion of the Project, will be financed from proceeds of the Series 2018 B Bonds in the amount of $700,000 which will be deposited in the Series 2018 B Bonds Construction Fund. MUB anticipates that the acquisition, construction and equipping of the Stormwater System portion of the Project will be completed in approximately 24 months.

MUB has received bids for all components of the Project, all of which are either under, or equal to, design estimates. MUB anticipates signing construction contracts within two (2) weeks of the closing on the Series 2018 B Bonds, provided, however, the construction contract for the raw water line across the FBOP Property will be amended to provide that construction on the FBOP Property shall commence only upon receipt of the required permit from the FBOP.

SOURCES AND USES OF FUNDS

The following table sets forth a summary of the estimated sources and uses of funds relating to the issuance of the Series 2018 B Bonds and the funding of the Project.

Sources:	**Series 2018 B**
Series 2018 B Bond Proceeds:	
Par Amount	$44,260,000.00
Plus Net Original Issue Premium	$4,089,120.90
Total Sources	**$48,349,120.90**
Series 2018 B Bond Proceeds:	
Series 2018 B Bonds Construction Fund	$47,838,082.00
Gross Surety Bond Premium	$53,505.71
Underwriter's Discount	$190,069.98
Costs of Issuance (1)	$267,463.21
Total Uses	**$48,349,120.90**

(1) Includes Bond Counsel fees, Disclosure Counsel fees, Registrar fees, Disclosure Agent fees and other costs associated with the issuance of the Series 2018 B Bonds.

Please see "DEBT SERVICE REQUIREMENTS" herein for a discussion of the structure of, and debt service payable on, the Series 2018 B Bonds.

THE SERIES 2018 B BONDS

General

The Series 2018 B Bonds are dated the date of delivery. All Series 2018 B Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2018 B Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2018 B Bonds shall be in default, Series 2018 B Bonds issued in exchange for Series 2018 B Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2018 B Bonds so surrendered. The Series 2018 B Bonds will bear interest from their date, payable semiannually on each June 1 and December 1 in each year (each an "Interest Payment Date"), commencing December 1, 2018, until maturity or until the date fixed for redemption if a Series 2018 B Bond is called for prior redemption and payment on such date as provided for.

Redemption Provisions for Series 2018 B Bonds

Optional Redemption

The Series 2018 B Bonds are subject to redemption at par (or at a redemption price of 100%), at the option of the Issuer on or after June 1, 2028, in whole or in part, at any time by lot, at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

Mandatory Redemption

The Term Bonds due December 1, 2043 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	1,965,000
2040	2,120,000
2041	4,910,000
2042	5,160,000
2043*	5,430,000

* Final Maturity

The Term Bonds due December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2044	5,700,000
2045	3,035,000
2046	35,000
2047	35,000
2048*	40,000

* Final Maturity

Notice of Redemption

Unless waived by any holder of the Series 2018 B Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail, or by other such means as is normal and customary at the time of such redemption, or acceptable to DTC, at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar.

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

(1) The redemption date,

(2) The redemption price,

(3) If less than all outstanding Series 2018 B Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2018 B Bonds to be redeemed,

(4) That on the redemption date the Redemption Price and interest accrued will become due and payable upon each such Series 2018 B Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Series 2018 B Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar, and

(6) Such other information, if any, as shall be required for DTC-Eligible Bonds. If funds sufficient to redeem all Series 2018 B Bonds called for Optional Redemption have not been deposited with the Paying Agent at the time of any notice of Optional Redemption, such notice shall also state that such Optional Redemption is subject to the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2018 B Bonds called for redemption of such fact.

Book Entry Only System

The Series 2018 B Bonds will be issued as fully registered Series 2018 B Bonds without coupons, in denominations of $5,000 or any integral multiples thereof for any year of maturity. Interest on the Series 2018 B Bonds shall be payable by check or draft made payable and mailed by the Paying Agent, to the Registered Owner thereof as of the applicable Record Date (each May 15 and November 15) or, at the option of any Registered Owner of $1,000,000 or more of the Series 2018 B Bonds, by electronic or wire transfer to a domestic bank account specified in writing at least 5 days prior to the Record Date by such Registered Owner. Principal of, and interest and premium, if any, on, the Series 2018 B Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender thereof at the principal corporate trust office of the Paying Agent.

Ownership of any Series 2018 B Bond may be transferred only by transfer of registration presented to the Registrar by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney or legal representative. Upon any such transfer of a Series 2018 B Bond, there will be issued another Series 2018 B Bond or Series 2018 B Bonds, at the option of the Holder or transferee, of the aggregate principal amount equal to the unpaid amount of the transferred Series 2018 B Bond and of the same series, interest rate and maturity of said transferred Series 2018 B Bond. For every exchange or transfer of Series 2018 B Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. Any applicable tax, governmental charge or charge to reimburse the Registrar for any tax or governmental charge shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making

such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2018 B Bonds that have been called for redemption.

Purchasers of the Series 2018 B Bonds will not receive certificates representing their interests in the Series 2018 B Bonds purchased. The Series 2018 B Bonds are available in book-entry form only and will be registered in the name of "Cede & Co." See "APPENDIX C – BOOK-ENTRY ONLY SYSTEM" herein. So long as Cede & Co. is the registered owner of the Series 2018 B Bonds as nominee of The Depository Trust Company, New York, New York ("DTC"), references herein to the Bondholders or registered owners of the Series 2018 B Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2018 B Bonds.

Neither the Issuer nor MUB can or does give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series 2018 B Bonds (1) payments of principal of or interest and premium, if any, on the Series 2018 B Bonds, (2) confirmation of beneficial ownership interest in the Series 2018 B Bonds, or (3) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2018 B Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "rules" applicable to DTC are on file with the Securities and Exchange Commission, and the current "procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

None of the Issuer, MUB or the Paying Agent shall have any responsibility or obligation to any Direct Participant, Indirect Participant, Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Participant, (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of or interest on the Series 2018 B Bonds, (3) the delivery by DTC or any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Series 2018 B Ordinance to be given to Bondholders, or (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2018 B Bonds.

SECURITY FOR THE SERIES 2018 B BONDS

The Series 2018 B Bonds are special obligations of the Issuer and are payable as to principal, premium, if any, and interest solely from the sources described below. Neither the Issuer nor MUB is under any obligation to pay the Series 2018 B Bonds except from said sources.

Sources of Payment

The payment of the debt service on the Series 2018 B Bonds shall be secured forthwith equally and ratably by a first lien on and pledge of the Gross Revenues derived from the Combined Utility System, on a parity with the Prior Bonds, and any Additional Parity Bonds that may hereafter be issued by the Issuer as permitted by the Series 2018 B Ordinance, and the unexpended proceeds of the Series 2018 B Bonds. The Series 2018 B Bonds are also payable from the funds on deposit in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Reserve Policy pledged to, and any funds on deposit in, the Series 2018 B Bonds Reserve Account therein. See "APPENDIX E – SERIES 2018 B ORDINANCE" herein. Gross Revenues derived from the Combined Utility System in an amount sufficient to pay the principal of, and premium, if any, and interest on, the Series 2018 B Bonds and to make the payments into the Series 2018 B Bonds Sinking Fund and to pay all other payments provided for in the Series 2018 B Ordinance, and the funds on deposit in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Reserve Policy pledged to, and any funds on deposit in, the Series 2018 B Bonds Reserve Account therein, are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the Series 2018 B Bonds as the same become due and for other purposes provided in the Series 2018 B Ordinance.

Rate Covenant

Prior to the issuance of the Series 2018 B Bonds, rates and charges for service from the Water System were approved by ordinance enacted by the City Council on February 2, 2016, and went into effect on July 1, 2016, and the rates and charges for service from the Sewer System were approved by ordinance enacted by the City Council on February 2, 2016, and went into effect on July 1, 2016, and the rates and charges for service from the Stormwater System were approved by ordinance enacted by the City Council on July 15, 2014, and went into effect on July 15, 2014, all in the manner and form required by law. In addition, the City Council enacted an ordinance for customers of the Rockley Road Water Project on January 23, 2018, which is being amended through an ordinance scheduled for enactment on June 19, 2018, to reflect the increased surcharge due to increased construction cost. See "STATE

REGULATION, RATES, BILLING AND COLLECTION PROCEDURES" herein. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the Combined Utility System sufficient to make the prescribed payments into the funds and accounts created under, or controlled by, the Series 2018 B Ordinance, the Prior Ordinances and the ordinances authorizing any hereinafter issued Additional Parity Bonds and to pay all Operating Expenses of the Combined Utility System. The Issuer has covenanted that such schedule or schedules of rates and charges shall be revised from time to time, 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 covenants and agrees in the Series 2018 B Ordinance that the schedule or schedules of rates and charges for the Combined Utility System from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 115% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year. See "APPENDIX E – SERIES 2018 B ORDINANCE" herein.

Series 2018 B Bonds Reserve Account

The Series 2018 B Bonds Reserve Requirement is $3,567,047, which is equal to the least of (i) 10% of the original stated principal amount of the Series 2018 B Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2018 B Bonds in any Fiscal Year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2018 B Bonds. The Issuer will obtain a Municipal Bond Debt Service Reserve Insurance Policy from the Reserve Policy Provider in the amount equal to the Series 2018 B Bonds Reserve Requirement which shall be pledged to the Series 2018 B Bonds Reserve Account (the "Series 2018 B Reserve Policy"). In the event funds in the Series 2018 B Bonds Sinking Fund are insufficient to pay the principal of and/or interest on the Series 2018 B Bonds, the Paying Agent shall submit a Notice of Nonpayment to the Reserve Policy Provider, which will, pursuant to the Series 2018 B Reserve Policy, pay the Paying Agent sufficient amounts to make payments of principal of and/or interest on the Series 2018 B Bonds as the same becomes due, subject to the Series 2018 B Reserve Policy. If the Series 2018 B Reserve Policy is not in effect, the Paying Agent shall withdraw cash from the Series 2018 B Bonds Reserve Account for transfer to the Series 2018 B Bonds Sinking Fund.

Information with respect to the Reserve Policy Provider and the Series 2018 B Reserve Policy is set forth in "APPENDIX G – RESERVE POLICY PROVIDER" and "APPENDIX I – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY" herein. Under the Series 2018 B Reserve Policy, the Issuer is required to repay any draws upon the Series 2018 B Reserve Policy and any administrative expenses incurred by Reserve Policy Provider, together with interest on the draws and the administrative expenses (collectively, the "Policy Costs"). Repayment of the Policy Costs must commence in the first month following each draw on the Series 2018 B Reserve Policy, and each monthly payment must be in an amount at least equal to 1/12th of the aggregated Policy Costs related to such draw.

The amount available under the Series 2018 B Reserve Policy will be reduced by, and to the extent of, any payment made pursuant to the Series 2018 B Reserve Policy. Amounts equal to Policy Costs paid to BAM, will be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Series 2018 B Reserve Policy will be increased by a like amount, subject to the terms of the Series 2018 B Reserve Policy. All cash and investments, if any, in the Series 2018 B Bonds Reserve Account shall be transferred to the Series 2018 B Bonds Sinking Fund for payment of the debt service on the Series 2018 B Bonds before any draw may be made on the Series 2018 B Reserve Policy. The Issuer does not expect there to be any cash or investments in the Series 2018 B Bonds Reserve Account.

If the Series 2018 B Reserve Policy is not in effect, in the event of a transfer from the Series 2018 B Bonds Reserve Account to the Series 2018 B Bonds Sinking Fund as aforesaid, the Issuer shall restore the balance to the Series 2018 B Bonds Reserve Account in an amount up to the Series 2018 B Bonds Reserve Requirement. The transfer of any cash by the Issuer from the Series 2018 B Bonds Reserve Account to the Series 2018 B Bonds Sinking Fund shall be replenished over twelve (12) equal monthly payments.

The Issuer's obligation to repay the Policy Costs or to otherwise replenish the Series 2018 B Bonds Reserve Account will be secured only by the Gross Revenues, as defined in the Ordinance, derived from the Combined Utility System and the funds on deposit in the Renewal and Replacement Fund.

The Issuer shall be required to replace the Series 2018 B Reserve Policy, or fund the Series 2018 B Bonds Reserve Account with cash, only in the event that the Reserve Policy Provider, or its successor or assign, ceases to

be licensed by at least one state of the United States of America to provide such Series 2018 B Reserve Policy or similar insurance product. In such event, the Issuer shall have twelve (12) months after becoming aware of such event to either provide a new municipal bond debt service reserve insurance policy for, or deposit sufficient cash in, the Series 2018 B Bonds Reserve Account to satisfy the Series 2018 B Bonds Reserve Requirement therefore.

Working Capital Reserve

Pursuant to Chapter 24, Article 1, Section (k) of the Code of West Virginia, 1931, as amended (the "State Code"), effective June 12, 2015, the Combined Utility System is required to "maintain a working capital reserve in an amount of no less than one eighth of actual annual operation and maintenance expense" (the "Working Capital Reserve"). The budget adopted by MUB for the July 1, 2018 to June 30, 2019 Fiscal Year includes the Working Capital Reserve. In the event that any audited or unaudited year-end financial statement of the Combined Utility System shall find that the Working Capital Reserve for such Fiscal Year was insufficient, such finding shall not be an event of default with respect to the Series 2018 B Bonds.

Application of Gross Revenues

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

(1) The Issuer shall first each month, transfer from the Revenue Fund and, simultaneously, remit to the Paying Agent: (i) for deposit in the Sinking Funds of the Prior Bonds, the amounts required by the Prior Ordinances to pay the interest on the Prior Bonds; and (ii) commencing seven (7) months prior to the first interest payment date of the Series 2018 B Bonds, for deposit in the Series 2018 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2018 B Bonds on the next ensuing semiannual interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 2018 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than seven (7) months, then such monthly payments shall be decreased or increased proportionately to provide, one (1) month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided, further, that there shall be credited against the amount deposited any interest capitalized from the proceeds of the Series 2018 B Bonds and applied to such payment. All payments of interest on the Prior Bonds and the Series 2018 B Bonds shall be pro rata.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, remit to the Paying Agent: (i) for deposit in the Sinking Funds of the Prior Bonds, the amounts required by the Prior Ordinances to pay the principal of the Prior Bonds; and (ii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2018 B Bonds, for deposit in the Series 2018 B Bonds Sinking Fund and in the Series 2018 B Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2018 B Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 2018 B Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, one (1) month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

Monies in the Series 2018 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2018 B Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2018 B Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2018 B Bonds Reserve Account Requirement. Pending such use, such monies shall be invested in accordance with the Series 2018 B Ordinance.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, remit to the Paying Agent: (i) for deposit in the Reserve Accounts of the Prior Bonds, the amount required by the Prior Ordinances; and (ii) in the event that the Series 2018 B Reserve Policy is no longer in effect, for deposit in the Series 2018 B Bonds Reserve Account, an amount sufficient to remedy any decrease in value of

the Series 2018 B Bonds Reserve Account below the Series 2018 B Reserve Account Requirement or any withdrawal from the Series 2018 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2018 B Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2018 B Bonds Reserve Account is less than the Series 2018 B Bonds Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2018 B Bonds Reserve Account for deposit into the Series 2018 B Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2018 B Bonds Reserve Account to an amount equal to the Series 2018 B Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided, however, that if the shortfall in the Series 2018 B Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than four (4) equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2018 B Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2018 B Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2018 B Bonds Reserve Requirement.

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

(5) The Issuer shall next, from the monies remaining in the Revenue Fund, on the first day of each month, transfer to the Renewal and Replacement Fund a sum equal to not less than 2.5% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. Subject to the restrictions contained in the Prior Ordinances so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, or improvements and extensions to the Combined Utility System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required thereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Enforcement of Collections

The Issuer covenants in the Series 2018 B Ordinance to diligently enforce and collect all fees, rentals or other charges for the services and facilities of the Combined Utility System and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals and other charges that 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. Such fees, rentals and charges, if not paid when due, shall, to the extent allowed by the Act, become a lien on the premises served by the Combined Utility 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 and facilities of the Combined Utility System and will not restore such services of the Combined Utility System until all billing for charges for the services and facilities of the Combined Utility System, including penalties and reconnect fees, have been fully paid, or the customer has entered into a payment agreement. For additional information on MUB's collection policy and history, see "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – MUB Retail Customer Collection Process" and "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – MUB Retail Customer Uncollectible Accounts" herein.

Additional Parity Bonds

So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Additional Parity Bonds, as herein defined, payable out of the Gross Revenues of the Combined Utility System shall be issued after the issuance of the Series 2018 B Bonds pursuant to the Series 2018 B Ordinance, except under the conditions and in the manner set forth herein.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition, construction or equipping of additions, betterments or improvements for the Combined Utility System, refunding all or a portion of one or more series of the Series 2018 B Bonds issued pursuant hereto, the Prior Bonds, and/or any series of Additional Parity Bonds hereinafter issued, paying claims which may exist against the revenues or facilities of the Combined Utility System, or all of such purposes.

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

(1) The Series 2018 B Bonds then Outstanding;

(2) The Prior Bonds then Outstanding;

(3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances and the Series 2018 B Ordinance then Outstanding; and

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

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

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

The term "Additional Parity Bonds," as used herein, shall be deemed to mean additional bonds issued under the provisions and within the limitations of the Series 2018 B Ordinance, payable from the Gross Revenues of the Combined Utility System on a parity with the Series 2018 B Bonds and the Prior Bonds, and all the covenants and other provisions of the Series 2018 B Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2018 B Bonds and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with the Series 2018 B Ordinance. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross Revenues, without preference of any series of Bonds over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in the ordinance authorizing such Additional Parity Bonds required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Series 2018 B Ordinance and the Prior Ordinances.

The term "Additional Parity Bond" shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the System of which is subject to the prior and superior lien of the Series 2018 B Bonds on such Gross Revenues. The Issuer shall not issue any obligations whatsoever payable from the Gross Revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Gross Revenues with the Series 2018 B Bonds except in the manner and under the conditions provided in the Series 2018 B Ordinance.

No Additional Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Series 2018 B Ordinance and the Prior Ordinances on account of the Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in the Series 2018 B Ordinance and the Prior Ordinances, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in the Series 2018 B Ordinance and the Prior Ordinances and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance. See "APPENDIX E – SERIES 2018 B ORDINANCE" herein.

Provided, however, that if the audit by an Independent Certified Public Accountant for the Combined Utility System for the Fiscal Year immediately preceding the date of the proposed issuance of Additional Parity Bonds states that the Issuer was not in compliance with the rate covenant in the Series 2018 B Ordinance for the year being audited and the Issuer has, as required by the Series 2018 B Ordinance, enacted a rate ordinance changing the rates and charges for the Combined Utility System to comply with the Series 2018 B Ordinance, such statement in the most recent audit shall not be considered a violation of the covenants, agreements and terms of the Series 2018 B Ordinance, so as to prevent the Issuer from issuing Additional Parity Bonds under the Series 2018 B Ordinance.

The Issuer anticipates that it will from time to time issue Additional Parity Bonds to finance the costs of additions, betterments and improvements to the Combined Utility System and to refinance the Bonds and any hereinafter issued Additional Parity Bonds. See "OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM – Future Bond Issues" herein.

Special Limited Obligations

The Series 2018 B Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation on indebtedness. No registered owner of any Series 2018 B Bond shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2018 B Bonds or the interest or any premium thereon, or to make any claim against and of the funds or revenues of Issuer, either existing as of the date of issuance of the Series 2018 B Bonds or in the future. MUB has no taxing power.

RESERVE POLICY

The Issuer has applied to, and executed a commitment from, the Reserve Policy Provider for the issuance, concurrently with the issuance of the Series 2018 B Bonds, of the Series 2018 B Reserve Policy. Information regarding the Reserve Policy Provider and the Series 2018 B Reserve Policy, specifically including "APPENDIX G – RESERVE POLICY PROVIDER" and "APPENDIX H – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY," has been furnished by the Reserve Policy Provider for inclusion in this Official Statement. No representation is made by the Issuer nor the Underwriter as to the accuracy, completeness or adequacy of such information or as to the absence of material adverse changes in the condition of the Reserve Policy Provider. Reference is made to "APPENDIX H – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY" for specimen of the Series 2018 B Reserve Policy, which should be read in its entirety.

Series 2018 B Reserve Policy

Concurrently with the issuance of the Series 2018 B Bonds, the Reserve Policy Provider will issue the Series 2018 B Reserve Policy for the Series 2018 B Bonds. The Series 2018 B Reserve Policy is issued in an amount equal to the Series 2018 B Bonds Reserve Requirement and is pledged to the Series 2018 B Bonds Reserve Account.

THE ISSUER AND THE MORGANTOWN UTILITY BOARD

The City of Morgantown is the county seat of Monongalia County, located along the Monongahela River and close to the Pennsylvania border in north central West Virginia. Morgantown is the home of West Virginia University, the largest institution of higher education in the State with an annual enrollment of approximately 29,000 students. The City is the medical, cultural, and commercial hub of the region. The population of Morgantown is estimated to be 30,000.

Morgantown and Monongalia County offer "Mountains of Opportunity" for business development and expansion. This is one of the major growth areas in the State. Monongalia County was the only county in north central West Virginia to realize population growth for the last 20 years, and it has been one of the fastest growing counties in the State over the last two decades.

Morgantown and Monongalia County have consistently experienced some of the lowest unemployment rates in the State. Major employers in the area include the National Institute of Occupational Safety and Health (NIOSH), Mylan Pharmaceuticals, and West Virginia University.

One-half of the population of the United States and one-third of the population of Canada is within a 500-mile radius of Morgantown. The City is one day's drive from 6 of the 8 largest U.S. metropolitan areas, 20 metro

areas with populations of 1 million or more, and 22 of the nation's top 35 industrial markets. See "APPENDIX A – THE CITY OF MORGANTOWN (WEST VIRGINIA) ECONOMIC AND DEMOGRAPHIC DATA" herein.

Audited Financial Statements

The Series 2018 B Bonds are payable only from the Gross Revenues of the Combined Utility System, which are pledged to their payment, and the unexpended proceeds of the Series 2018 B Bonds. No other funds of the Issuer are available for payment of, or expected to be used to pay, the principal of, or interest on, the Series 2018 B Bonds. Likewise, the Gross Revenues of the Combined Utility System are not used for other purposes of the Issuer. Accordingly, detailed information regarding the Issuer has not been included in this Official Statement. The audited financial statements of MUB for the Fiscal Year ended June 30, 2017 are included in Appendix B herein. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE MORGANTOWN UTILITY BOARD FOR FISCAL YEAR ENDED JUNE 30, 2017" herein.

Morgantown Utility Board

MUB is a municipally owned and operated utility providing potable water, sanitary sewer and stormwater services directly to the residents of the Issuer and to customers in certain surrounding municipalities and unincorporated areas of Monongalia County, as well as bulk water sales and sanitary sewer transmission and treatment to certain potable water and wastewater utilities owned and operated by nearby municipalities and public service districts. MUB was created by ordinance enacted on September 1, 1987 by the Council of the Issuer merging the former Morgantown Water Commission and the Morgantown Sanitary Board to create the combined waterworks and sewerage system. On May 21, 2002, the Council of the Issuer enacted an ordinance creating a stormwater utility and expanding the authority of MUB to include stormwater management and control. On May 1, 2007, the Council enacted an ordinance combining the existing combined waterworks and sewerage system and the stormwater system to create the combined waterworks, sewerage and stormwater utility which presently exists.

MUB has provided bulk water sales and sanitary sewer transmission and treatment under longstanding mutually beneficial arrangements with surrounding public utilities (collectively, the "Resale Customers"). MUB benefits from strong working relationships with the Resale Customers, often providing other contract services such as repairs and customer billing. While MUB does not have long term contracts with the Resale Customers, the practical constraints created by regulatory requirements, state utility regulation and the economies of scale which MUB enjoys would make any other arrangement for these bulk customers difficult to realize.

The Combined Utility System includes retail potable water service to approximately 26,200 connections and retail sewer service to approximately 22,575 service connections. MUB provides wholesale potable water and/or wastewater conveyance and treatment to a variety of surrounding public utilities which serve, in aggregate, approximately 17,900 customers in their respective service territories. The Stormwater System serves approximately 15,260 customers in the City and surrounding unincorporated areas.

MUB's assets are valued at over $307,000,000. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE MORGANTOWN UTILITY BOARD FOR FISCAL YEAR ENDED JUNE 30, 2017" herein. These assets include the main wastewater treatment plant in Star City, a wastewater treatment plant at Cheat Lake, and the water treatment plant in Morgantown. In addition, the Combined Utility System includes approximately 414 miles of water distribution lines, 299 miles of sewerage collection and transmission lines, and approximately 225 miles of stormwater management, conveyance and control facilities. MUB operates with approximately 150 employees.

MUB Board of Directors

Pursuant to the Act and the MUB Ordinance, MUB is overseen and directed by a Board of Directors appointed by the City Council (the "Board"). The Board is comprised of five residential customers of MUB appointed for staggered terms of five years. In addition to being customers of the Combined Utility System, up to two MUB members may be residents of Monongalia County residing outside of the Issuer's corporate boundaries. The remaining three members must be residents of the Issuer. The Board is responsible for the management, control and operation of the Combined Utility System. The Board elects a chairman and other officers from its members annually. The names, offices and summary biographical information of the current members of the Board are set forth below:

JT Straface was born and raised in Morgantown, has been a member of the Board since 2003, and currently serves as Board chairman. Mr. Straface is a graduate of Morgantown's former St. Francis High School and West Virginia University School of Mines where he received a BS degree in mining engineering. Mr. Straface owns and operates a number of successful small businesses in the Morgantown area. Mr. Straface's term expires on November 11, 2022.

Ron Bane is a lifelong resident of Morgantown, has been a member of the Board since 2005, and currently serves as vice-chairman. Dr. Bane holds a BA in political science, a MS in safety studies, a MBA, and a Ph.D. in safety engineering and is employed at West Virginia University. In addition, Dr. Bane previously served on the City Council of the Issuer for 12 consecutive years. Dr. Bane's term expires on November 11, 2019.

Tom Witt lives outside the municipal limits of Morgantown and previously served as the secretary-treasurer of the Cheat Lake Public Service District before its merger into MUB. Dr. Witt holds a BA from Oklahoma State University, and a MA and Ph.D. from Washington University in St. Louis, all in economics. Dr. Witt is an emeritus professor of Economics following a distinguished career with the West Virginia University College of Business and Economics. During his tenure with West Virginia University, he also served as director of the Bureau of Business and Economic Research and associate dean for research and outreach within the College. Dr. Witt is widely published and has testified before the U.S. Senate Committee on Energy and Natural Resources and the National Academy Committee on Identifying the Needs of the Forensic Science Community. Currently, Dr. Witt provides economic consulting services through Witt Economics, LLC. Dr. Witt was appointed to fill the unexpired term of Dr. Frank Scafella, which term expires on November 11, 2021.

John Ganz has been a Morgantown resident since 1989 and is recently retired from the U.S. Department of Energy where he worked as a regulatory compliance officer. Mr. Ganz has served on the Board since 2011; however, his association with MUB spans many years beyond that. Mr. Ganz has been involved in extensive institutional research facilities operations and regulatory compliance interface with MUB while working for the U.S. Dept. of Energy's National Energy Technology Lab (NETL) in Morgantown. Within this work at NETL, Mr. Ganz interfaced with MUB personnel and public utility facilities and services at NETL in the areas of general site operations, research facilities activities, hazardous waste treatment, and environmental protection. Mr. Ganz has more than 38 years professional career experience in the areas of regulatory compliance, project planning, facilities operations, and environmental protection. Mr. Ganz attended Potomac State College, Keyser, WV and received a BS in Agriculture from Arizona State University, Tempe, AZ. Mr. Ganz's term expires on November 11, 2020.

William Rice is a retired engineer, and has brought a host of directly relevant experience and skills to MUB since joining the Board in 2013. This includes service on the County Commission's Water and Wastewater Committee as well as the Sewage Advisory Board for the West Virginia Department of Health. Mr. Rice currently serves on the West Run Board of Zoning Appeals for the County Commission and as chairman of the Citizen's Advisory Committee for the Greater Morgantown Metropolitan Planning Organization (MPO). As a resident of Bakers Ridge Road, Mr. Rice was the first MUB Board member to reside outside Morgantown city limits. Mr. Rice's term expires on November 11, 2018.

MUB Professional Management

Timothy L. Ball – General Manager

Timothy L. Ball was appointed as the General Manager of the Morgantown Utility Board in October, 2010. Before serving as the General Manager, Mr. Ball served as the Assistant General Manager and Chief Engineer of the Morgantown Utility Board for 14 years.

Mr. Ball joined MUB as its Senior Engineer in early 1988. He was instrumental in the development of operating plans and upgrade projects for the newly expanded utility. He contributed similarly to the startup of the stormwater utility at MUB.

Mr. Ball holds BS and MS degrees in Civil Engineering from West Virginia University. He earned a MBA from WVU in 2000. He is a registered Professional Engineer and is also a licensed Land Surveyor. He has taught both civil engineering and business management courses at his alma mater.

Mr. Ball was appointed as an inaugural member and continues to serve on the West Virginia State Public Water System Supply Study Commission. That Commission was created in 2014 by Senate Bill 373, in response to a chemical leak that disrupted water supply to 300,000 persons in and around Charleston, WV. The Commission is

charged with the responsibility to advise and report to the Legislature on matters related to implementation of Senate Bill 373 and protection of the State's drinking water sources.

Mr. Ball has been recognized by his peers as a leader in the utility industry. He served as Chair of the West Virginia section of the American Water Works Association (AWWA) in 1992, and served on the National Board of Directors of AWWA from 2000 to 2003. In 1994, he received from AWWA the George Warren Fuller Award for service to the water industry. He was recognized as the Young Engineer of the Year in 1988 by the West Virginia Society of Professional Engineers, and is a member of the Tau Beta Pi and Chi Epsilon engineering honoraries. Mr. Ball actively participates in several other utility industry groups including the West Virginia Rural Water Association, the Water Environment Federation, and the West Virginia Municipal Water Quality Association. He often speaks to state and national water industry audiences on the topics of leadership, effectiveness, strategic planning, and stormwater management.

Douglas R. Smith – Assistant General Manager/Chief Engineer

Douglas R. Smith was appointed as the Assistant General Manager and Chief Engineer of the MUB in October 2010. Before serving as the Assistant General Manager and Chief Engineer, Mr. Smith served as a Senior Engineer of MUB for 14 years. He was instrumental in the startup of the stormwater utility and continues to be intimately involved in the establishment of rules and regulations set by the West Virginia Department of Environmental Protection and the Public Service Commission of West Virginia.

Mr. Smith holds a BS degree in Civil Engineering and a MBA from West Virginia University. He is also a registered Professional Engineer.

Mr. Smith served on the board of the West Virginia Section of the American Water Works Association for eight years and served as Chairman from 2006-2007. He currently serves as a board member for the West Virginia Rural Water Association. In 2008, he received the George Warren Fuller Award for service to the water industry.

Debbie Osborne – Comptroller

Debbie Osborne is the Comptroller of the Morgantown Utility Board. She manages both the Financial and Customer Information Systems. She is responsible for the preparation of budgets and financial reporting statements as well as all business and accounting operations of MUB.

She and her staff are responsible for the customer service functions for all retail water, sewer, and stormwater customers as well as providing these services for many neighboring utilities.

Ms. Osborne holds the degrees of BS in Business Administration and MPA, both awarded by West Virginia University. Prior to joining MUB in 1989, she worked for six years as an accountant for West Virginia University.

Dave Rife – Distribution Superintendent

Dave Rife manages MUB's Distribution Department which is responsible for the maintenance and construction of the water distribution and sewerage collection systems. In addition, Mr. Rife is responsible for MUB's vehicle fleet and its inventory and purchasing operation. Mr. Rife has been a MUB employee since 1983. He has worked at nearly every assignment in the department that he now manages.

Greg A. Shellito – Manager of Treatment and Production Facilities

As Manager of Treatment and Production Facilities, Greg A. Shellito manages all of MUB's treatment and pumping operations. He and his staff are responsible for the operation and maintenance of the Morgantown Water Treatment Plant, the Morgantown Wastewater Treatment Plant, and the Cheat Lake Wastewater Treatment Plant. In addition, Mr. Shellito is responsible for 15 pumping systems serving 38 water storage tanks throughout the water distribution system, totaling 73 wastewater lift stations in the two collection systems. Mr. Shellito also acts as MUB liaison to regulating federal and state agencies.

Prior to appointment his current position, Mr. Shellito served as Superintendent and Plant Engineer of the Wastewater Treatment Plant. He holds BS degrees in biology and chemistry from Gannon University in Erie, Pennsylvania, and a MS in biology from West Virginia University. Mr. Shellito is an Environmental Engineer and is

certified as a Registered Engineer in Training. He has been a licensed Class IV wastewater treatment plant operator since 1988.

Mr. Shellito has published several articles in national professional journals. He is a member of several professional associations, including the West Virginia Water Environment Association, which he served as President, the American Water Works Association and the Rural Water Association.

Chris Dale – Director of Communications

Chris Dale joined MUB in 2012 and provides oversight of public outreach activities. Prior to joining MUB, he served as a visiting instructor at West Virginia University for 12 years and as a public affairs officer for the American Red Cross for 13 years where he managed crisis and emergency communications. He is a veteran of the US Army having served as a medic in the 3rd Infantry Division.

Mr. Dale maintains mub.org, ensures that area residents remain informed of MUB activities, maintains relationships with members of the media and community leaders, continuously monitors traditional and social media, plans and conducts various outreach events, consults with MUB leadership on internal/external impacts of policy changes, provides customer service for demanding customers as well as 24/7 social media support, writes and designs various internal and external communication vehicles, and maintains MUB's crisis communications plan.

Mr. Dale holds a BA in Psychology and a MS in Journalism with a specialization in public relations, both from West Virginia University.

MUB Personnel

MUB employs approximately 150 individuals. Of that number, approximately 37 are assigned to the Treatment and Production Facilities Department, approximately 72 are assigned to the Distribution Department and 41 are assigned to Administration. All employees are available to work on any aspect of the three utilities, while employee and equipment time, as well as materials, are tracked and allocated to each of the three utilities. Employees are cross-trained in each Department and succession plans for key leadership positions throughout MUB are regularly reviewed and updated.

Employees of MUB are employed directly by MUB, not the Issuer. MUB employees are not represented by a collective bargaining unit. The City Charter expressly prohibits employees of the City and MUB from organizing collective bargaining units. MUB employees are required to participate in group medical insurance and retirement plans.

MUB Business Philosophy

MUB has several keystone practices that guide its business approach. One such practice is minimizing reliance upon outside services, and doing as much as possible with MUB staff. In addition to staffing for the regular operation and maintenance the Combined Utility System requires, MUB maintains sufficient personnel and equipment to field two to three full time construction crews. Doing so allows MUB to construct system extensions and perform renewal and replacement work at lower cost, and with less preparation time, than would be required using outside contractors. Engineering staffing is similarly robust and beneficial.

The pursuit of value, rather than minimizing immediate cost, is also a key practice of MUB. An easy example is the purchase of premium efficiency pump motors. A premium efficiency pump motor may cost 10% more than a standard efficiency motor, but will yield reduced electrical consumption to pay for its incremental cost in just two or three years, while providing continued savings for decades more. MUB invests for value at every purchase opportunity.

Additionally, MUB requires that any expansion of the Combined Utility System be self-supporting. Line extensions to newly developed areas are designed and constructed by MUB at the expense of the developer. Line extensions to existing unserved areas are designed and constructed by MUB at the expense of the new customers to be served. Acquisition of other systems is accomplished at a zero purchase price other than assumption of the acquired system's existing debt, in which case the associated debt service continues to be paid by the customers on the acquired system through a separate rate schedule for the acquired area.

MUB Governance

The municipal governmental structure in which MUB was created and continues to operate is designed to provide professional, apolitical, oversight and management of the Combined Utility System. The Board, while appointed by City Council, operates with near total autonomy. The only aspects of MUB which remain subject to City Council approval are appointment of Board members, establishment of rates and charges, the issuance of bonds, and approval of large capital projects, all of which require the enactment of an ordinance by City Council.

As a subunit of the City, MUB does not participate in political issues. MUB does, however, regularly work with political bodies to further MUB's mission.

For example, municipal ordinances to establish enforceable standards related to utility services are routinely drafted and proposed by MUB, and subsequently implemented by City Council as needed. Similarly, MUB's occasional acquisition of surrounding utilities requires and receives the cooperation of The County Commission of Monongalia County.

Similarly, MUB works closely with the West Virginia Legislature occasionally on its own behalf, but more often through the West Virginia Rural Water Association and/or the West Virginia Municipal League. MUB is well regarded in both organizations by virtue of its recognized leadership in the State and region. Two legislative initiatives in which MUB played a key role deserve special mention.

The first is House Bill 4619, enacted March 2002, which allowed the creation of stormwater utilities in West Virginia. MUB recognized early when regulations applying to municipal separate storm sewer systems (known as "MS4's") were newly issued, that MUB was better suited to meet the regulations than was the Morgantown Street Department which had responsibility for the Morgantown storm system at the time. MUB drafted a bill, obtained sponsors, and advocated successfully at the State Legislature for its passage, modifying the State code to authorize creation of locally owned and operated stormwater utilities. MUB then worked with City Council to enact the necessary ordinances to create the State's first stormwater utility under MUB. Since that time, MUB's Stormwater System has served as a model for others in the State and region.

The second is Senate Bill 234, enacted in March 2015, with further clarifications enacted March 2017 (collectively, "Senate Bill 234") which reduced the regulatory authority of the Public Service Commission of West Virginia ("PSC") over the state's largest publicly owned water and/or sewer utilities. Excessive regulation of rates by the PSC was widely perceived to have suppressed and/or discouraged justifiable rate increases, thus leaving utilities without adequate revenues to fund proper operation and maintenance activities. Similarly, the PSC capital project approval process was widely viewed as an unproductive and expensive review that added little or no value, but often delayed work as much as a year. In 2014, a report by an internationally recognized credit rating agency cited excessive regulation as a significant credit risk arising from West Virginia's regulatory scheme. To address this issue, MUB drafted and proposed to the Legislature Senate Bill 234, and working with its partners at WVWRA and West Virginia Municipal League, obtained multiple sponsors from the leadership in both houses of the Legislature, and successfully advocated for its passage. See "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – State Utility Regulation" and "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – Rate Setting and Project Approval Process" herein.

The above examples illustrate MUB's willingness and ability to achieve Legislative solutions to issues. MUB also monitors legislation each year and provides insight to the West Virginia Legislature on the potential impact of proposed bills.

MUB Fiscal Policies

The Board has adopted a comprehensive Statement of Investment Policy. The statement outlines broad investment policies to include delegation of certain authority to the General Manager, investment objectives, collateralization of deposits, protection of funds, permitted investments, investment of bond proceeds and investment reporting.

The Board recently formalized MUB's long-standing practices regarding cash management through the adoption of a Liquidity Policy. The Liquidity Policy establishes a stated goal for MUB to maintain between 110 – 140 days of operation and maintenance expense in unrestricted cash and cash equivalents available for unexpected economic and operational events. The Liquidity Policy assumes daily operation and maintenance expense of $40,000, which results in available liquid assets of $4,400,000 to $5,600,000.

MUB's combined cash reserves are currently and temporarily reduced by the payment of the costs related to planning and design of the proposed additions, betterments and improvements to the Water System which are part of the Project. These preliminary expenditures will be reimbursed from proceeds of the Series 2018 B Bonds pursuant to a Reimbursement Resolution adopted by the Council of the Issuer on April 1, 2014. MUB typically finances the pre-construction costs of bond financed projects "out of pocket". Those costs are then reimbursed to MUB immediately upon closing of the long-term financing for the project. For the Project the anticipated reimbursement will be up to $2,100,000 from the proceeds of the Series 2018 B Bonds.

MUB PENSION OBLIGATIONS

As authorized by state law and required by City ordinance, MUB employees are enrolled in The City of Morgantown Employees' Retirement and Benefit Fund. Employees contribute 5.95% of their compensation. MUB likewise contributes an actuarially determined share toward each employee account, currently at 13.23% of payroll. See "MUB Personnel" herein.

The pension fund is managed by an elected Board of Trustees and its agents. The fund is estimated to be 78.35% funded as of June 30, 2017. MUB's share of the unfunded pension liability as of June 30, 2017 was $8,686,000.

As of the July 1, 2011 actuarial valuation, the Board of Trustees adopted a closed amortization period of 25 years to amortize the unfunded liability. As of the July 1, 2016 valuation, the remaining amortization period is 20 years.

Of the 13.23% of payroll currently contributed by MUB, 6.91% goes toward the amortized unfunded liability. The remaining 6.32% of payroll is MUB's actuarially determined normal contribution.

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THE COMBINED UTILITY SYSTEM

MUB Combined Utility System Retail Customer History

The average number of retail customers for the Combined Utility System for the past ten (10) Fiscal Years are as follows:

Fiscal Year (ended June 30)	*Water Customers*	*Water Growth Percentage*	*Sewer Customers*	*Sewer Growth Percentage*	*Stormwater Customers*	*Stormwater Growth Percentage*
2008	22,930	2.2%	16,982	2.6%	14,026	–
2009	23,333	1.8%	17,488	3.0%	14,311	2.0%
2010	23,786	1.9%	18,105	3.5%	14,428	0.8%
2011	24,129	1.4%	18,747	3.5%	14,535	0.7%
2012	24,509	1.6%	19,063	1.7%	14,616	0.6%
2013	25,261	3.1%	19,752	3.6%	14,620	0.0%
2014	25,459	0.8%	20,495	3.8%	14,623	0.0%
2015	25,748	1.1%	21,827	6.5%	14,850	1.6%
2016	25,909	0.6%	22,124	1.4%	15,173	2.2%
2017	26,200	1.1%	22,575	1.9%	15,260	0.5%

MUB Water System

The Water System provides retail potable water service to approximately 26,200 customers. Water System facilities include, but are not limited to, approximately 414 miles of transmission pipe, a 16 million gallon per day (MGD) water treatment plant, 15 booster pumping stations and 34 water storage tanks with a combined volume of 18.8 million gallons. Raw water is currently supplied through an intake on the Monongahela River and Cobun Creek Reservoir #1. The water treatment plant was recently significantly upgraded, the design for which began in 2009. Construction of the overall water treatment plant upgrade began in 2010 and was completed in 2012. The project replaced the existing Monongahela River intake structure, added a membrane filtration process, expanded clear well storage and updated and improved the various chemical feed systems. The improved water treatment plant has an immediate capacity of 16 MGD, and can be incrementally expanded to 24 MGD.

MUB Water System – Service Area

MUB's Water System retail service area:

- includes the entirety of the City and surrounding areas in Monongalia County, West Virginia;
- covers approximately 52.6 square miles; and
- includes a diversified group of healthcare, higher education, manufacturing, and service industry customers.

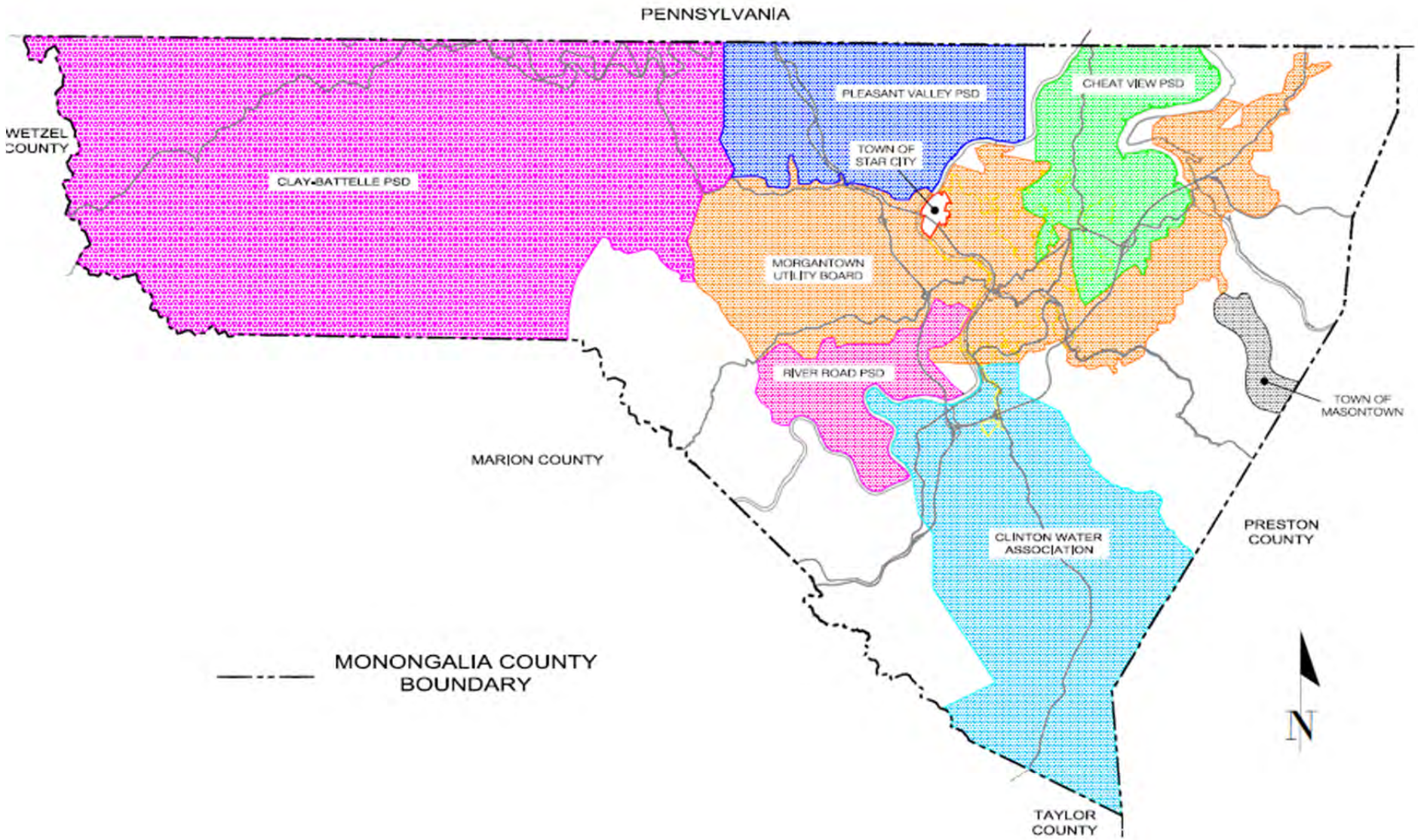
In addition to MUB's retail customers, MUB sells bulk treated water to seven (7) separate adjacent public water utilities: Cheat View Public Service District, Clinton Water Association, Clay Battelle Public Service District, Pleasant Valley Public Service District, the Town of Masontown, the Town of Star City, and River Road Public Service District (collectively, the "Water Resale Customers"). The Water Resale Customers utilize the purchased water to provide retail potable water service to nearly 12,500 customers within their respective service territories.

In early 2018, MUB received a request from River Road Public Service District ("River Road PSD") to acquire the water storage and distribution assets of the River Road PSD (the "River Road Water System"). The proposed acquisition is supported by The County Commission of Monongalia County. The Public Service Board of River Road PSD will consider an operation and maintenance agreement ("O&M Agreement") with MUB on June 13th, to be considered by the Board of MUB on June 18th. If approved, the O&M Agreement will become effective immediately. The respective boards will then consider an acquisition agreement. As consideration for the acquisition, the Issuer would assume the existing debt of River Road PSD which is secured by the River Road Water System. See – "**Future Bond Issues** – Acquisition of River Road PSD". MUB's acquisition of the River Road Water System must be approved by the Public Service Commission of West Virginia, as well as the West Virginia Water Development Authority as the holder of the water revenue bonds of River Road PSD.

Upon completion of the acquisition of the River Road Water System, the Issuer will amend the rates and charges of the Water System to provide that the customers of the River Road Water System continue paying the costs for operation and maintenance of, and debt service related to, the River Road Water System. The other customers of MUB will not contribute towards the costs of the River Road Water System.

Set forth on the next page is a map which reflects the retail service area of the Water System, as well as the general geographic boundaries of the Water Resale Customers.

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PENNSYLVANIA
WETZEL COUNTY
CLAY-BATTELLE PSD
PLEASANT VALLEY PSD
TOWN OF STAR CITY
CHEAT VIEW PSD
MORGANTOWN UTILITY BOARD
RIVER ROAD PSD
TOWN OF MASONTOWN
MARION COUNTY
CLINTON WATER ASSOCIATION
PRESTON COUNTY
MONONGALIA COUNTY BOUNDARY
N
TAYLOR COUNTY

MUB Water System – Customer Data

The following table sets forth the total potable water sales by MUB in each of the last ten (10) Fiscal Years:

Fiscal Year (ended June 30)	*Residential*	*Commercial*	*Industrial*	*Public Authorities*	*Other/Resale*	*Total*
2008	$2,103,110	$867,818	$252,077	$584,108	$957,550	$4,764,663
2009	$2,318,377	$929,036	$275,450	$549,397	$1,150,244	$5,222,504
2010	$2,343,293	$984,890	$265,091	$531,366	$1,197,923	$5,322,563
2011	$2,392,492	$1,033,362	$285,208	$518,649	$1,178,934	$5,408,645
2012	$3,223,346	$1,494,901	$455,788	$718,485	$1,733,959	$7,626,479
2013	$4,145,424	$2,103,342	$638,978	$989,990	$2,232,964	$10,110,698
2014	$4,095,556	$2,113,502	$672,972	$978,035	$2,324,122	$10,184,187
2015	$4,072,301	$1,955,425	$824,349	$916,151	$2,354,942	$10,123,168
2016	$4,035,841	$1,934,279	$800,615	$919,494	$2,275,727	$9,965,956
2017 (1)	$5,124,413	$2,433,417	$1,100,497	$1,261,319	$2,990,082	$12,909,727

(1) The data for the Fiscal Year ending June 30, 2017, reflects the implementation of the water rate increase enacted for purposes of financing the portion of the Project related to the Water System.

MUB Water System – Largest Customers

The following table sets forth the ten largest customers of the Water System and related annual sales for the Fiscal Year ended June 30, 2017.

	Customer	*Consumption (gallons in 1,000s)*	*Sales*
1	West Virginia University	259,308	$957,756.00
2	Cheat View PSD*	273,339	$923,732.00
3	Clinton Water Association*	259,635	$877,577.00
4	Mylan Pharmaceuticals	134,014	$487,056.00
5	Clay Battelle PSD*	111,842	$377,521.00
6	Addivant	108,860	$370,248.00
7	Pleasant Valley PSD*	87,425	$297,204.00
8	WVU Hospitals	73,353	$257,905.00
9	Morgantown Energy Associates	74,554	$252,228.00
10	Town of Star City *	72,348	$247,874.00
	Totals	**1,454,678**	**$5,049,101.00**

*Resale Customer

The total Water System Gross Revenue for the Fiscal Year ended June 30, 2017 was $12,909,727.00 The ten largest water users represented 39% of the Water System Gross Revenue.

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MUB Water System – Water Resale Customers

The following tables set forth information regarding MUB's Water Resale Customers for the Fiscal Years indicated.

MUB Water Resale Customers – Resale Customer Count*

Resale Customer	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*
Cheat View PSD	3,669	3,721	3,512	3,625	3,512
Clinton Water Ass'n	3,602	3,524	3,537	3,384	3,332
Clay Battelle PSD	1,644	1,647	1,646	1,641	1,635
Pleasant Valley PSD	947	947	945	937	931
Town of Masontown	921	921	910	902	802
Town of Star City	931	900	886	876	880
River Road PSD	781	774	750	633	622
Total	**12,495**	**12,434**	**12,186**	**11,998**	**11,010**

MUB Water Resale Customers – Annual Gallons Bulk Water Purchased from MUB (000's omitted)**

Resale Customer	*Fiscal Year 2017*	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*
Cheat View PSD	273,339	266,858	252,158	243,707	245,167	253,678
Clinton Water Ass'n	259,635	250,998	260,134	262,033	245,336	246,707
Clay Battelle PSD	111,842	123,838	124,343	135,788	124,374	141,603
Pleasant Valley PSD	87,425	83,350	108,955	115,482	107,160	98,448
Town of Masontown	40,192	42,701	45,016	40,794	38,705	36,548
Town of Star City	72,348	70,841	77,925	78,984	87,600	87,840
River Road PSD	39,952	51,643	46,288	41,902	42,116	39,949
Total	**884,733**	**892,229**	**914,819**	**918,690**	**890,458**	**904,773**

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MUB Water Resale Customers – Annual Bulk Water Purchases from MUB**

Resale Customer	*Fiscal Year 2017*(1)	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*
Cheat View PSD	$923,732	$678,045	$645,044	$619,372	$629,950	$466,255
Clinton Water Ass'n	$877,577	$637,888	$662,239	$667,767	$625,524	$626,695
Clay Battelle PSD	$377,521	$314,275	$315,531	$344,507	$314,785	$261,038
Pleasant Valley PSD	$297,204	$221,809	$299,439	$310,514	$298,866	$203,685
Town of Masontown	$136,521	$108,998	$113,725	$104,587	$99,030	$70,406
Town of Star City	$247,874	$184,411	$205,611	$203,983	$131,400	$118,954
River Road PSD	$135,700	$130,028	$118,073	$107,129	$107,518	$76,054
Total	**$2,996,129**	**$2,275,454**	**$2,359,662**	**$2,357,859**	**$2,207,499**	**$1,823,087**

(1) The data for the Fiscal Year ending June 30, 2017, reflects the implementation of the water rate increase enacted for purposes of financing the portion of the Project related to the Water System.

For the Fiscal Year ending June 30, 2017, sales of bulk water to the Water Resale Customers represented 23% of the Water System's Gross Revenue.

***** Information gathered from Annual PSC Reports of Resale Customers
** Source: Morgantown Utility Board

MUB Sewer System

The Sewer System provides sanitary sewer service directly to approximately 22,575 customers. The Sewer System has two distinct portions. The first, the "Morgantown Sewer System," includes both The City of Morgantown and the immediately surrounding areas, encompassing the traditional service area of MUB. The facilities in the Morgantown Sewer System include, but are not limited to, approximately 299 miles of collection lines and mains, the primary wastewater treatment plant located in Star City (the "Star City WWTP") which currently has a 12 million gallons per day (MGD) capacity, 53 lift stations, and 40 combined sewer overflows.

The Series 2016 A Bonds, the Series 2016 B-1 Bonds and the Series 2016 B-2 Bonds were issued to finance the costs of design, acquisition, construction and equipping of a project to upgrade the Star City WWTP and the Popenoe Run Interceptor which transmits most of the flow from the Sewer System to the Star City WWTP (collectively, the "2016 Sewer System Project"). The purpose of the 2016 Sewer System Project is to increase treatment capacity at the Star City WWTP to 20.8 MGD as part of MUB's Long Term Control Plan for management of combined sewer overflows. The contract for the Popenoe Run Interceptor is 100% complete, and was both on schedule and on budget. The contract for the Star City WWTP, approximately $84,000,000, is currently on schedule (27% complete on a contract expenditure basis), and on budget, with change orders of less than .02% of the contract amount. The entire 2006 Sewer System Project is scheduled for completion in 2020.

The second distinct portion of the Sewer System is the sanitary sewer collection and treatment system which serves the Cheat Lake area outside of, but adjacent to, the municipal limits of the Issuer in Monongalia County. The Cheat Lake System serves approximately 2,800 retail customers. The facilities of the Cheat Lake System includes approximately 50 miles of collection and transmission lines, a 750,000 gallon per day (GPD) wastewater treatment plant (the "Cheat Lake WWTP") and 20 lift stations. The Cheat Lake System contains no combined sewer overflows. The Cheat Lake WWTP, lift stations, and major interceptors and force mains were constructed in 2000 at a cost of $10,000,000. Growth and demand for expanded utility services is generally strong throughout the MUB service area and particularly so in the Cheat Lake area.

MUB Sewer System – Service Area

MUB's Sewer System Service area:

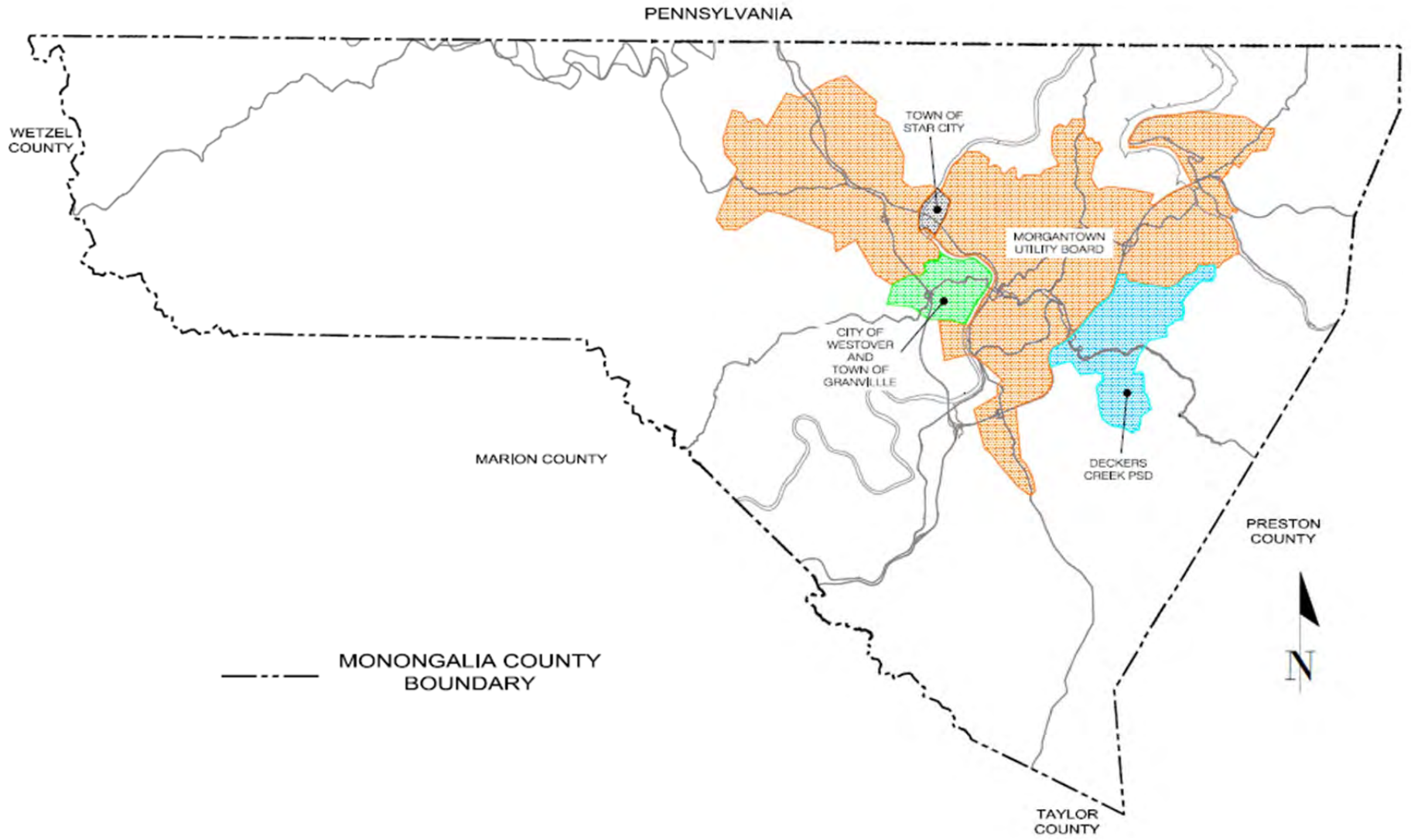
- includes the entirety of the City and surrounding areas in Monongalia County, West Virginia;
- covers approximately 49.75 square miles; and

- includes a diversified group of healthcare, higher education, manufacturing, and service industry customers.

In addition to MUB's retail customers, MUB provides sanitary sewerage transmission and treatment to four (4) separate adjacent public sewer utilities: the City of Westover, Deckers Creek Public Service District ("Decker's Creek PSD"), the Town of Star City, and the Town of Granville (collectively, the "Sewer Resale Customers"). The Sewer Resale Customers provide retail sanitary sewer service to a total of nearly 5,500 customers within their respective service territories.

Set forth on the next page is a map which reflects the retail service area of the Sewer System, as well as the general geographic boundaries of the Sewer Resale Customers.

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PENNSYLVANIA
WETZEL COUNTY
TOWN OF STAR CITY
MORGANTOWN UTILITY BOARD
CITY OF WESTOVER AND TOWN OF GRANVILLE
DECKERS CREEK PSD
MARION COUNTY
PRESTON COUNTY
TAYLOR COUNTY
N
MONONGALIA COUNTY BOUNDARY

MUB Sewer System – Customer Data*

The following table sets forth the total sanitary sewer collection and treatment sales by MUB in each of the last ten (10) Fiscal Years:

Fiscal Year (ended June 30)	*Residential*	*Commercial*	*Industrial*	*Public Authorities*	*Other/Resale*	*Total*
2008	$4,530,051	$1,473,390	$299,693	–	$629,086	$6,932,220
2009	$4,835,992	$1,317,109	$339,187	–	$712,505	$7,204,793
2010	$3,458,586	$1,903,921	$307,798	$1,274,932	$700,225	$7,645,462
2011	$3,531,058	$1,982,495	$313,247	$1,156,584	$785,867	$7,769,251
2012	$3,789,665	$2,243,995	$493,504	$1,307,667	$867,749	$8,702,580
2013	$4,242,666	$2,380,843	$426,778	$1,411,592	$861,492	$9,323,371
2014	$4,487,498	$2,447,661	$460,191	$1,401,645	$803,564	$9,600,559
2015	$5,079,237	$2,874,371	$454,779	$1,356,427	$712,508	$10,477,322
2016	$5,186,957	$3,008,484	$475,128	$1,365,651	$656,106	$10,692,326
2017 (1)	$7,788,657	$4,739,140	$1,666,297	$2,601,383	$1,341,231	$18,136,708

(1) The data for the Fiscal Year ending June 30, 2017, reflects the implementation of the rate increase for the Sewer System to finance the design, acquisition, construction and equipping of the 2016 Sewer System Project (hereinafter defined).

MUB Sewer System – Largest Customers*

The following table sets forth the ten largest customers of the Sewer System and related annual sales for the Fiscal Year ended June 30, 2017.

	Customer	*Consumption (gallons in 1,000s)*	*Sales*
1	West Virginia University	257,939	1,966,726
2	Mylan Pharmaceuticals	134,014	1,233,149
3	City of Westover**	243,574	684,444
4	WVU Hospitals	74,479	566,048
5	Morgantown Energy Associates	74,554	391,228
6	Deckers Creek PSD**	113,006	317,548
7	RF Kennedy Youth Center	38,971	292,390
8	Town of Star City**	87,600	246,156
9	Monongalia General Hospital	27,064	158,582
10	Cintas	18,748	139,674
	Total	**1,069,949**	**5,995,945**

* Source: Morgantown Utility Board
** Resale Customer

The total Sewer System Gross Revenue for the Fiscal Year ended June 30, 2017 was $18,136,708. The ten largest sewer customers represented 33% of the Sewer System Gross Revenue.

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MUB Sewer Resale Customers

The following tables set forth information regarding MUB's Sewer Resale Customers for the Fiscal Years indicated.

MUB Sewer Resale Customers – Resale Customer Count*

Resale Customer	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*
City of Westover	2,249	2,241	2,241	2,180	2,120
Deckers Creek PSD	1,866	1,831	1,820	1,790	1,748
Town of Star City	915	891	876	876	880
Town of Granville	340	345	347	349	357
Total	**5,370**	**5,308**	**5,284**	**5,195**	**5,105**

MUB Sewer Resale Customers – Annual Gallons Wastewater Treated by MUB (000's omitted)**

Resale Customer	*Fiscal Year 2017*	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*	*Fiscal Year 2011*
City of Westover	243,574	213,689	230,765	230,859	200,663	236,660	262,998
Deckers Creek PSD	113,006	103,074	103,994	115,570	151,686	166,708	172,927
Town of Star City	87,600	87,840	87,840	87,600	87,600	87,840	87,600
Town of Granville	33,125	32,801	42,636	46,912	35,323	53,313	39,002
Total	**477,305**	**437,404**	**465,235**	**480,941**	**475,272**	**544,521**	**562,527**

MUB Sewer Resale Customers – Annual Treatment Cost Billed by MUB**

Resale Customer	*Fiscal Year 2017*(1)	*Fiscal Year 2016*	*Fiscal Year 2015*	*Fiscal Year 2014*	*Fiscal Year 2013*	*Fiscal Year 2012*	*Fiscal Year 2011*
City of Westover	$684,444	$320,534	$346,148	$346,289	$331,995	$314,434	$318,228
Deckers Creek PSD	$317,548	$154,611	$155,991	$173,356	$227,528	$223,149	$209,568
Town of Star City	$246,156	$131,760	$131,400	$131,040	$131,400	$118,954	$105,996
Town of Granville	$93,083	$49,201	$63,955	$70,368	$52,984	$73,110	$47,192
Total	**$1,341,231**	**$656,106**	**$697,494**	**$721,053**	**$743,907**	**$729,647**	**$680,984**

(1) The data for the Fiscal Year ending June 30, 2017, reflects the implementation of the rate increase for the Sewer System to finance the design, acquisition, construction and equipping of the 2016 Sewer System Project (hereinafter defined).

For the Fiscal Year ended June 30, 2017, payments for sewage transmission and treatment to MUB from Sewer Resale Customers represented 7% of the Sewer System Gross Revenue.

***** Information gathered from Annual PSC Reports of Resale Customers
** Source: Morgantown Utility Board

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MUB Stormwater System

The Stormwater System serves approximately 15,260 customers. The West Virginia Department of Environmental Protection ("DEP") implemented federal MS4 (Municipal Separate Storm Sewer System) regulations effective 2003. The City of Morgantown added stormwater to the mission of MUB on May 21, 2002. Prior to that, the Stormwater System was maintained by the City Street department. The MUB stormwater utility was the first created in West Virginia, and has served as the model for others created statewide since that time. Stormwater rates, based on measured impervious area, were enacted by the Council of the Issuer to fund a suitable annual budget for both ongoing operations and maintenance, and for capital improvements. The MUB stormwater service area is defined on a watershed basis, and therefore includes areas that flow into the City from beyond the municipal corporate limits. Stormwater System facilities include a known inventory of 103 miles of pipe and culverts, however, the length of the total stormwater conveyance facilities is estimated to be approximately 225 miles. A mapping project to determine the full system inventory is underway, as required by recent federal regulations. An $8,500,000 project was completed in 2009 to improve the Burroughs Run and Popenoe Run streams, providing stream restoration to stabilize the streams and to improve stream conveyance capacity in order to reduce the potential for flooding. A $2,475,000 project to improve and protect the Sabraton area along the Hartman Run stream, and at the intersection of Hartman Run Road (W.V. Route 857) and W.V. Route 7 was completed in 2015.

MUB Stormwater System – Proposed Improvements

Forest Ave - Includes installation of approximately 500 feet of stormwater piping, related catchment structures, curb and pavement reconstruction.

Valley View Ave - Includes installation of approximately 1,100 feet of stormwater pipe ranging in sizes from 18 inches to 48 inches in diameter, related catchment structures and pavement reconstruction. Additionally, approximately 600 feet of sanitary sewer will need to be installed to facilitate the construction of the proposed storm line.

Acorn Village/Tanglewood – Includes approximately 1,000 feet of storm system reconstruction including a combination of pipeline and stream/ditch line restoration and potentially detention facilities.

Third Street - Includes replacement approximately 260 of 15 inch storm line.

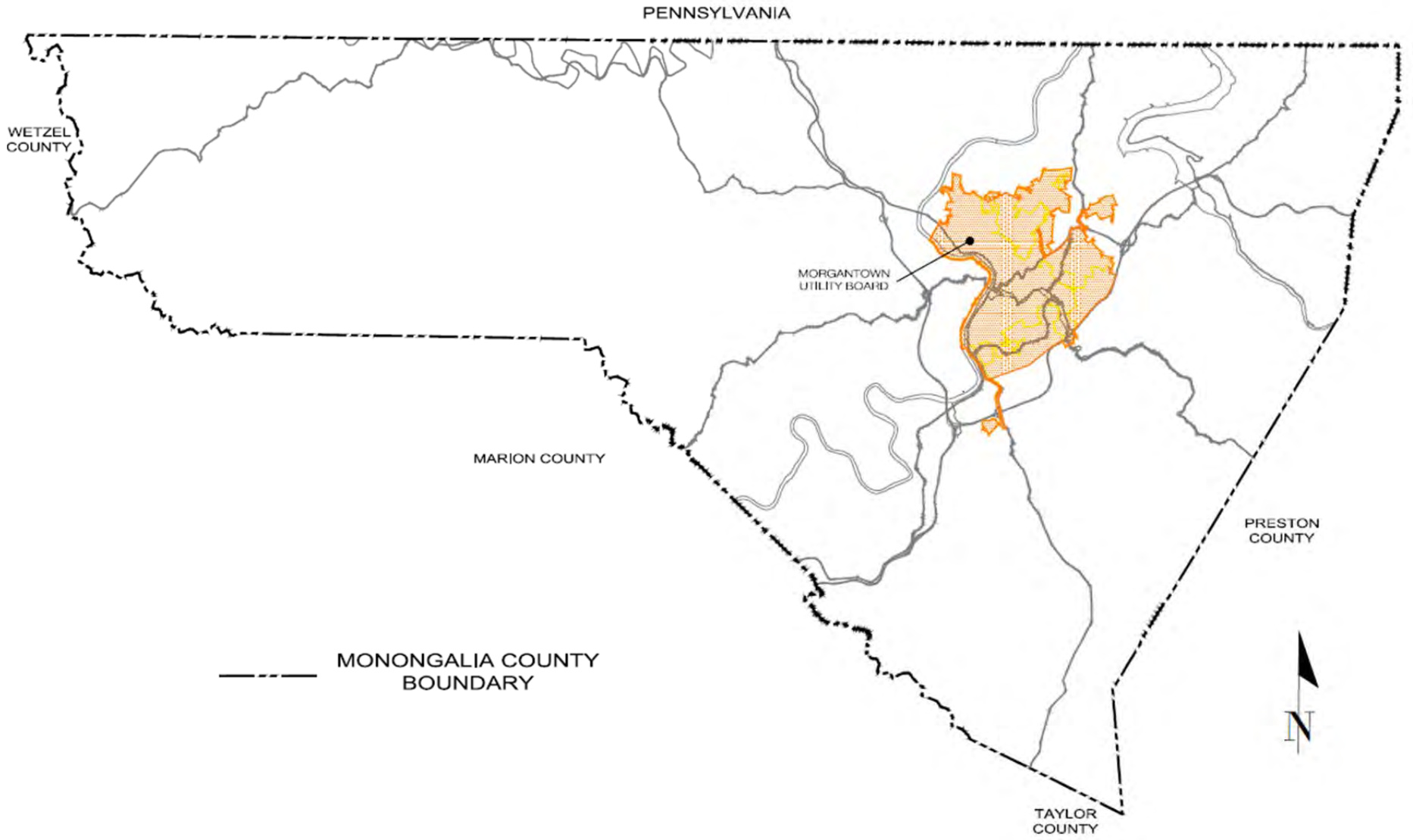
MUB Stormwater System – Service Area

MUB stormwater service area:

- includes the entirety of the City and surrounding areas in Monongalia County, West Virginia;
- covers approximately 14.68 square miles; and
- includes a diversified group of healthcare, higher education, manufacturing, and service customers.

Set forth on the next page is a map which reflects the retail service area of the Stormwater System.

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PENNSYLVANIA
WETZEL COUNTY
MORGANTOWN UTILITY BOARD
MARION COUNTY
PRESTON COUNTY
TAYLOR COUNTY
MONONGALIA COUNTY BOUNDARY
N

MUB Stormwater System – Largest Customers

	Customer	*Impermeable Surface (in sq. ft.)*	*Revenue*
1	West Virginia University	10,294,678	$290,310
2	WVU Hospitals	1,603,625	$45,222
3	Board of Education	1,490,980	$42,046
4	Mylan Pharmaceuticals	1,050,333	$29,619
5	Monongalia General Hospital	984,335	$27,758
6	RF Kennedy Youth Center	914,792	$25,797
7	The City of Morgantown	882,708	$24,892
8	Wal-Mart Stores	772,999	$21,799
9	GP Management	746,872	$21,062
10	US Dept. Energy NETL	632,970	$17,850
	Total	**19,374,292**	**$546,355**

The total stormwater operating revenue for the Fiscal Year ended June 30, 2017 was $1,898,317. The ten largest stormwater customers represented 29% of the total operating revenue.

MUB Operating and Capital Budgets

Operating and Capital budgets for the Water System, Sewer System and Stormwater System are prepared and approved annually by MUB.

MUB Combined Utility System Environmental Regulatory Performance

MUB maintains an excellent record of regulatory compliance. Discussion follows with respect to the Water System, the Sewer System and the Stormwater System.

MUB Water System.

Although numerous standards apply to regulate the treatment process and quality of treated potable water, a permitting process analogous to the National Pollutant Discharge Elimination System ("NPDES") permit does not exist. Nonetheless, monthly reports are required by WV Department of Health and Human Resources ("DHHR"), and consistently indicate full compliance.

The PSC requires annual reporting of water loss, which is measured by a percentage of water that is un-accounted, and requires a corrective action plan for water loss exceeding 15%. MUB's program of loss prevention and leak location is very effective, and consistently complies with the PSC standard. The most recent reported water loss was 10.35% for FY 2017.

There are no outstanding enforcement actions applicable to the Water System.

MUB Sewer System.

Sewer service is regulated under the separate NPDES permits for the Star City WWTP and the Cheat Lake WWTP, and each corresponding collection system. As evidenced by receipt of numerous consecutive Platinum Awards from the National Association of Clean Water Agencies ("NACWA"), MUB has had zero permit violations in the last 17 years at the Star City WWTP, and in the last 19 years at the Cheat Lake WWTP.

An Administrative Order has been issued by West Virginia Department of Environmental Protection ("DEP") related to the Long Term Control Plan, and is procedural in nature. MUB is fully compliant with the terms of the Administrative Order.

An Administrative Order has been issued by DEP related to the 2016 Sewer System Project, and confirms the construction plan and schedule proposed by MUB in the approved NPDES permit modification. MUB anticipates full compliance with the Administrative Order.

There are no other outstanding enforcement actions applicable to the Sewer System.

MUB Stormwater System

Numerous standards apply to regulate the operation and maintenance of stormwater systems by way of the MS4 variation of the NPDES permit. Semi-annual reports are required by DEP, and consistently indicate substantial compliance.

A 2014 inspection by DEP of MUB's MS4 reporting resulted in a Notice of Violation for failure to achieve certain permit requirements and/or goals expressed in MUB's Stormwater Management Plan. In most cases, the requirement/goal had been achieved, but the achievement was not properly documented. MUB was directed to submit a report describing how the unmet goals would be achieved/documented for compliance; said report was promptly submitted, appropriate program corrections were made, and no further enforcement action has been taken or is expected to be taken.

A 2015 inspection by the United States Environmental Protection Agency ("EPA") of MUB's MS4 reporting (for years 2012 and 2013) resulted in an Administrative Order for failure to achieve certain permit requirements. MUB was directed to submit a report describing how the unmet goals would be achieved/documented for compliance; said report was promptly submitted, and EPA has now issued a letter accepting the Report and closing the Administrative Order docket as having been appropriately resolved.

There are no outstanding enforcement actions applicable to the Stormwater System.

MUB Sewer System Long Term Control Plan

MUB's original Long Term Control Plan ("LTCP") was submitted to WV DEP and approved in 2002. Because such complex plans and the regulations to which they respond are constantly evolving, the LTCP is best considered a "living document" that remains subject to continuous revision and re-negotiation.

Work completed under the 2002 LTCP includes the following: (i) an addition of a third secondary clarifier at the Star City WWTP, which was completed in 2009 at a cost of $6,400,000; and (ii) an upgrade of Deckers Creek Pump station and force main, which was completed in 2012 at a cost of $15,500,000.

MUB submitted updates to its LTCP to WV DEP in 2011 and 2014. These updates have not been formally approved or rejected by DEP, and remain under ongoing discussion. The 2014 LTCP served as the basis for the 2016 Sewer System Project.

The 2014 LTCP describes four phases of anticipated improvements (all cost estimates are in 2015-2016 dollars):

- Group 1 – 2020 completion
  - WWTP upgrade – financed as a portion of the 2016 Sewer System Project at a cost of $101,000,000 (estimated $70,000,000 in LTCP).
  - Popenoe Run Interceptor replacement – financed as a portion of the 2016 Sewer System Project at a cost of $1,600,000 (estimated $6,000,000 in LTCP).

- Group 2 – 2025 completion
  - Star City WWTP upgrade Phase 2 at $21,000,000.* (Since the 2014 LTCP, portions of the Star City WWTP upgrade Phase 2 have been included in the 2016 Sewer System Project.)

- Group 3 – 2030 completion
  - Upgrade of Deckers Creek Pump Station and Interceptor at $19,000,000.*
  - Popenoe Run Pumping and Storage at $12,000,000.*

- Group 4 – 2035 completion
  - Add High Flow Wet Weather Treatment to WWTP at $44,000,000.*

* Preliminary, subject to change. Also, construction subject to availability of grant and low interest loan funds and affordability under %MHI indices.

MUB Awards and Recognitions

MUB is recognized as an industry leader in West Virginia and the region with respect to water, wastewater and stormwater utilities. MUB has been repeatedly recognized by a variety of organizations for both projects and policies which have reflected this leadership. Included in such accolades are the following:

Year	Category	Issued by	Notation
2018	Sewer	NACWA	Platinum – Star City WWTP (17th consecutive year)
2018	Sewer	NACWA	Platinum – Cheat Lake WWTP (19th consecutive year)
2018	Stormwater	WV DEP	Environmental Excellence Award – stormwater
2016	Water	WV AWWA	1st place Taste Test
2013	Water	WV RWA	Water System of the Year
2012	Stormwater	WV DEP	Environmental Excellence Award – stormwater
2009	Stormwater	Assoc. Builder & Contractors	Excellence in Construction – Burroughs Run Project
2008	Stormwater	WV DEP	Pisces Award – Innovative & Effective SRF
2002	Water	WV RWA	Water System of the Year
2002	Sewer	WV DEP	Environmental Excellence Award – large plant
2002	Sewer	WV DEP	Environmental Excellence Award – small plant
2002	Sewer	Assoc. Builder & Contractors	Excellence in Construction – Cheat Lake WWTP
2001	Sewer	WV DEP	Environmental Excellence Award – most improved

MUB actively participates in the activities and leadership of several West Virginia based industry groups and national industry organizations, including:

West Virginia Based Organizations

- WV American Water Works Association ("WV AWWA"),
- WV Rural Water Association ("WV RWA"),
- West Virginia Municipal League ("WVML"),
- West Virginia Municipal Water Quality Association ("WVMWQA"), and
- West Virginia Water Environment Association ("WVWEA").

National Organizations

- American Water Works Association ("AWWA"),
- Water Environment Federation ("WEF"),
- Rural Water Association ("RWA"),
- National Association of Clean Water Agencies,
- Association of Metropolitan Water Agencies ("AMWA"),
- Wet Weather Partnership, and
- National Association of Clean Water Agencies ("NACWA).

MUB's active participation in these organizations has broadened its reach to include a wide network of resources and contacts. This allows MUB to bring cutting edge ideas to practice in its service areas. Most importantly, it empowers MUB to compare itself to, learn from, and compete with larger utilities throughout the nation and region.

In addition to formal recognition, MUB is unique among public utilities in West Virginia as the first, and to this date, the only, combined potable water, sanitary sewer and stormwater utility.

MUB Operations, Maintenance, and Asset Management

MUB Operations Overview.

The Water Treatment Plant, Star City WWTP and the Cheat Lake WWTP (collectively, the "Treatment Plants") are under the direct supervision of the Manager of Treatment and Production Facilities. The Treatment Plants are operated by professionals licensed by the WV Bureau for Public Health (Water) and the West Virginia Department of Environmental Protection (Sewer). In addition to the Treatment Plants, the Manager of Treatment and Production Facilities is responsible for the operation and maintenance of the 15 pumping stations and 34 storage tanks included in the Water System and the 73 pumping stations in the Sewer System.

The distribution and transmission lines in the Water System, collection and transmission lines in the Sewer System and the management and conveyance infrastructure in the Stormwater System are the responsibility of the

Distribution Superintendent. The Combined Utility System includes approximately 414 miles of water distribution lines, 299 miles of sewerage collection and transmission lines, and approximately 225 miles of stormwater management, conveyance and control facilities.

MUB Maintenance Overview.

MUB has a structured maintenance program which focuses on ensuring the expected useful life of facilities and equipment throughout the Combined Utility System. A computerized maintenance management system is utilized to track and document preventative maintenance, predictive maintenance and unplanned repair activities. A computerized purchasing and inventory control system is utilized.

Asset Management Plan Overview.

MUB maintains an Asset Management Plan which is updated on an annual basis to reflect depreciation, replacement and upgrades of existing assets, as well the addition of new assets. The purposes of the Asset Management Plan are to (i) ensure the maximum reasonable useful life of assets; (ii) reduce the occurrence of lost service through anticipatory replacement, repair or improvement of assets; and (iii) support optimal decision-making through consistent life-cycle costing and renewal and replacement planning.

MUB CAPITAL IMPROVEMENT PROGRAM

MUB utilizes an annually adopted five-year Capital Improvement Program ("CIP") to plan and manage the capital improvements necessary to fulfill its service mission, comply with regulatory requirements and preserve and upgrade each system within the Combined Utility System. MUB updates the CIP annually in conjunction with its budget process, based on detailed project review by engineering staff, external engineering consultants retained by MUB and senior management.

MUB CIP Management and Administration

Consulting engineering services are generally employed for the design of major projects. MUB's engineering department has fourteen (14) employees who design certain projects and review and coordinate the plans submitted by consulting engineers for others. Depending on the size and type of project, responsibility for design, bidding, construction management, and/or resident inspection may be provided by MUB engineering, staff, consulting engineers, or a combination of both. All projects are scheduled and monitored under the direction of a licensed professional engineer. Overall project coordination and management is the responsibility of the General Manager and Assistant General Manager/Chief Engineer.

MUB CIP Funding Sources

MUB anticipates funding the CIP through a combination of long term debt (i.e. Additional Parity Bonds) and internally generated funds for capital additions. Additional funding is routinely received from developers, the West Virginia Department of Highways, West Virginia University and others for the purpose of increasing capacity, relocating facilities and expanding the service area.

MUB Current CIP

The paragraphs below outline the current five-year CIP, with the exclusion of the Project to be financed with the Series 2018 B Bonds.

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MUB Water System – CIP.

Rates and charges for the Water System have been established that provide an annual budget of $1,000,000 in internally generated funds for capital improvements. The capital improvement projects include a combination of renewal and replacement of distribution lines, pumping and treatment structures, and major equipment. Anticipated Capital Improvements include;

Year	Project	Estimated Cost
2018	University Avenue	$200,000
	Pixler Hill and Hagedorn Lane	$100,000
	Replace Cherry Hill Booster	$150,000
	Miscellaneous Upgrades and Extensions	$550,000
2019	University Avenue	$150,000
	Linden, Lexington, Melrose and West Replacements	$200,000
	Miscellaneous Upgrades and Extensions	$650,000
2020	High, Madison, Long, Dunkard, Kenmore	$350,000
	Sabraton 16” Loop Connection	$200,000
	Miscellaneous Upgrades and Extensions	$400,000
2021	Van Voorhis Rd 12” Replacement	$300,000
	Miscellaneous Upgrades and Extensions	$700,000
2022	Jackson Street	$150,000
	Mont Cheateau	$350,000
	Misc. Upgrades and Extensions	$600,000

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MUB Sewer System – CIP.

Rates and charges for the Sewer System have been established that provide an annual budget of approximately $1,500,000 in internally generated funds for capital improvements. The capital improvement projects include a combination of renewal and replacement of collection lines, pumping and treatment structures, and major equipment. Anticipated Capital Improvements include;

Year	Project	Estimated Cost
2018	Dorsey's Knob Sewer System Update	$350,000
	Replace Excavator	300,000
	Upper Popenoe Run Sewer Upgrade	200,000
	Valley View Sewer Upgrade	250,000
	Miscellaneous Upgrades and Extensions	450,000
2019	Brookhaven Road Capacity Increase	$300,000
	Standard Street New VFD Equipment	150,000
	Vac Truck Replacement	300,000
	Airport Blvd Pump Station	150,000
	Miscellaneous Upgrades and Extensions	600,000
2020	Deckers Creek Interceptor MH replacement and Lining	$1,300,000
	Miscellaneous Upgrades and Extensions	200,000
2021	Deckers Creek Interceptor Tide Gate Installation	$200,000
	Orchard Crossing Upgrade	200,000
	Replace 4 Dump trucks	400,000
	Mon Interceptors Tide Gate Installation	300,000
	Miscellaneous Upgrades and Extensions	400,000
2022	CSO Screen Installation	$300,000
	Miscellaneous Upgrades and Extensions	1,200,000

MUB Stormwater System – CIP.

Rates and charges for the Stormwater System have been established that provide an annual budget of $75,000 in internally generated funds for capital improvements. The capital improvement projects include a combination of renewal and replacement of stormwater conveyance and management facilities. Anticipated Capital Improvements include;

Year	Project	Estimated Cost
2018	Misc. Upgrades and Extensions*	$75,000
2019	Misc. Upgrades and Extensions	$75,000
2020	Misc. Upgrades and Extensions	$75,000
2021	Misc. Upgrades and Extensions	$75,000
2022	Misc. Upgrades and Extensions	$75,000

* Does not include the Project

DEBT SERVICE REQUIREMENTS

Existing Long-Term Debt of the Combined Utility System

Pursuant to the Act, all debt secured by the Gross Revenues of the Combined Utility System has a lien on the Gross Revenues of the Water System, the Sewer System and the Stormwater System and are known as "Combined Utility System Revenue Bonds," denoting the lien on the "combined" system. The following outstanding debt is secured by the Gross Revenues of the Combined Utility System, on a parity with the Series 2018 B Bonds:

Bond Issue	*Issue Date*	*Project*	*Original Issue Amount*	*Balance June 1, 2018*	*Approximate Annual Debt Service*	*Final Maturity*
2018 A	1/31/2018	Rockley Road Water Project	$394,074	$25,500	$12,214	12/2057
2017 A	12/21/2017	Stormwater Improvements	$2,695,000	$2,695,000	$149,512	10/2047
2016 B-1	12/1/2016	Star City WWTP Project	$25,000,000	$5,139,890	$978,100	09/2046
2016 A	12/1/2016	Star City WWTP Project	$69,755,000	$68,615,000	$4,232,900	12/2046
2015 E	6/11/2015	Sewer System Extension	$662,300	$624,329	$16,876	06/2055
2015 D	3/31/2015	Assume Scotts Run PSD Sewer Bonds	$1,688,394	$1,390,422	$44,144	12/2049
2015 C	3/31/2015	Assume Scotts Run PSD Sewer Bonds	$8,111,813	$5,390,067	$213,468	09/2043
2015 B	3/31/2015	Assume Scotts Run PSD Sewer Bonds	$4,586	$1,646	$117	10/2031
2015 A	3/31/2015	Assume Scotts Run PSD Sewer Bonds	$137,568	$94,319	$3,415	10/2031
2014 B	7/13/2014	Stormwater Improvements	$505,421	$431,848	$19,529	08/2034
2013 A	8/22/2013	Assume Canyon PSD Sewer Bonds	$4,605,260	$3,947,360	$131,580	06/2048
2012 A	8/24/2012	Water System Extension	$570,000	$494,350	$17,855	03/2044
2010 F	1/28/2010	Water Treatment Plant Improvements	$7,250,000	$1,115,000	$1,050,000	12/2018
2010 E	1/28/2010	Water System Improvements	$100,000	$75,211	$4,429	09/2032
2010 D	1/28/2010	Water System Improvements	$9,317,286	$7,007,585	$412,639	09/2032
2010 C	1/28/2010	Sewer System Improvements	$15,380,227	$11,567,560	$681,151	09/2032
2010 A	1/28/2000	Water Treatment Plant Upgrade	$37,950,000	$37,950,000	$2,280,000	12/2040
2007 A	8/14/2007	Stormwater Improvements	$8,500,000	$5,227,654	$416,759	06/2029
2006 A	6/30/2006	Star City WWTP Secondary Clarifier	$6,410,191	$3,523,749	$309,012	06/2028
2000 B	2/29/2000	Cheat Lake Wastewater Treatment Plant	$2,488,000	$1,407,647	$65,476	12/2039
2000 A	2/29/2000	Cheat Lake Wastewater Treatment Plant	$7,842,000	$2,506,195	$323,380	03/2026
			$209,367,120	**$159,230,332**	**$11,362,556**	

In addition to the Combined Utility System Revenue Bonds outlined above, the Issuer anticipates the issuance of Combined Utility Systems Revenue Bonds, Series 2018 A-2 (West Virginia Infrastructure Fund), in July, 2018, to finance unanticipated construction costs associated with the Rockley Road Water Project, as further hereinafter described. See "**Future Bond Issues** – Rockley Road Water Project."

See "OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM – Prior Bonds" herein.

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MUB Combined Utility System – Aggregate Debt Service Table

The table below sets for the anticipated aggregate debt service for the Prior Bonds and the Series 2018 B Bonds.

Fiscal Year (Ending June 30)	Debt Service On Prior Bonds	Series 2018 B	Total
2018	$11,864,854	$0.00	$11,864,854.00
2019	11,859,495	1,882,132.19	13,741,627.19
2020	11,844,800	2,980,487.50	14,825,287.50
2021	11,829,675	2,459,112.50	14,288,787.50
2022	11,808,297	2,483,612.50	14,291,909.50
2023	11,785,755	2,505,612.50	14,291,367.50
2024	11,756,075	2,534,862.50	14,290,937.50
2025	11,728,901	2,060,887.50	13,789,788.50
2026	11,627,975	2,084,737.50	13,712,712.50
2027	11,352,642	2,112,612.50	13,465,254.50
2028	11,322,492	2,144,362.50	13,466,854.50
2029	11,844,644	2,174,912.50	14,019,556.50
2030	10,321,727	2,214,112.50	12,535,839.50
2031	10,288,292	2,251,540.63	12,539,832.63
2032	10,247,334	2,297,009.38	12,544,343.38
2033	9,060,680	2,768,187.50	11,828,867.50
2034	8,644,738	2,946,725.00	11,591,463.00
2035	8,568,124	2,998,100.00	11,566,224.00
2036	8,520,479	3,039,825.00	11,560,304.00
2037	8,469,725	3,086,300.00	11,556,025.00
2038	8,420,471	3,140,925.00	11,561,396.00
2039	8,366,047	3,198,550.00	11,564,597.00
2040	8,280,712	3,248,925.00	11,529,637.00
2041	8,191,499	3,301,800.00	11,493,299.00
2042	5,579,608	5,916,050.00	11,495,658.00
2043	5,581,458	5,914,300.00	11,495,758.00
2044	5,412,137	5,919,550.00	11,331,687.00
2045	5,343,040	5,939,800.00	11,282,840.00
2046	5,345,966	3,100,100.00	8,446,066.00
2047	4,637,776	38,700.00	4,676,476.00
2048	192,589	37,300.00	229,889.00
2049	61,012	40,800.00	101,812.00
2050	38,943		38,943.00
2051	16,872		16,872.00
2052	16,872		16,872.00
2053	16,872		16,872.00
2054	16,872		16,872.00
2055	16,873		16,873.00

MUB Combined Utility System Historical and Projected Coverage **

	2014	2015	2016	2017	2018*	2019*	2020*	2021*
Operating Revenues	$21,978,283	$22,842,087	$22,935,561	$33,758,062	$34,248,901	$34,541,342	$34,806,113	$35,084,470
Other Operating Revenues	488,258	470,265	445,763	526,357	425,177	425,177	425,177	425,177
Total Operating Revenues	**$22,466,541**	**$23,312,352**	**$23,381,324**	**$34,284,419**	**$34,674,078**	**$34,966,519**	**$35,231,290**	**$35,509,647**
Total O & M Expense	13,338,657	13,768,514	15,523,128	16,536,078	16,798,372	18,042,493	18,872,882	19,721,960
Depreciation Expense	8,050,420	8,398,878	8,692,352	8,710,463	9,341,447	9,959,944	12,357,773	13,593,550
Operating Income	**$1,077,464**	**$1,144,960**	**-$834,157**	**$9,037,878**	**$8,534,259**	**$6,964,082**	**$4,000,635**	**$2,194137**
Non-Operating Income	1,072,566	-128,103	1,001,638	1,145,543	941,384	941,384	941,384	941,384
Available for Debt Service	**$10,200,450**	**$9,415,735**	**$8,859,834**	**$18,893,884**	**$18,817,090**	**$17,865,410**	**$17,299,792**	**$16,729,071**
Debt Service Requirement*	$6,990,740	$7,230,075	$7,300,490	$9,912,177	$11,864,854	$13,741,627	$14,825,288	$14,288,788
Coverage	**1.46x**	**1.30x**	**1.21x**	**1.91x**	**1.58x**	**1.30x**	**1.17x**	**1.17x**

* Includes the actual annual debt service on the Series 2018 B Bonds.
** Prepared by the Morgantown Utility Board

Method of Accounting

The accounts of the Water System, Sewer System and Stormwater System are organized on the basis of fund accounting as enterprise funds. With respect to operating revenues and expenses, the MUB accounts are maintained in accordance with generally accepted accounting principles. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF MORGANTOWN UTILITY BOARD FOR FISCAL YEAR ENDED JUNE 30, 2017" herein.

OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM

Prior Bonds

The Issuer has outstanding the following bonds which will rank on a parity with the Series 2018 B Bonds as to liens, pledge, source of and security for payment from the Gross Revenues derived from the Combined Utility System, as follows:

(1) Combined Utility System Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of $7,842,000 (the "Series 2000 A Bonds");

(2) Combined Utility System Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of $2,488,000 (the "Series 2000 B Bonds");

(3) Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of $6,410,191 (the "Series 2006 A Bonds");

(4) Combined Utility System Revenue Bonds, Series 2007 A (West Virginia SRF Program), of the Issuer, dated August 14, 2007, issued in the original aggregate principal amount of $8,500,000 (the "Series 2007 A Bonds");

(5) Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $37,950,000 (the "Series 2010 A Bonds");

(6) Combined Utility System Revenue Bonds, Series 2010 C (West Virginia SRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $15,380,227 (the "Series 2010 C Bonds");

(7) Combined Utility System Revenue Bonds, Series 2010 D (West Virginia DWTRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $9,317,286 (the "Series 2010 D Bonds");

(8) Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $100,000 (the "Series 2010 E Bonds");

(9) Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $7,250,000 (the "Series 2010 F Bonds");

(10) Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, dated August 24, 2012, issued in the original aggregate principal amount of $570,000 (the "Series 2012 A Bonds");

(11) Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated August 22, 2013, issued in the original aggregate principal amount of $4,605,260 (the "Series 2013 A Bonds");

(12) Combined Utility System Revenue Bonds, Series 2014 B, of the Issuer, dated July 13, 2014, issued in the original aggregate principal amount of $505,421 (the "Series 2014 B Bonds");

(13) Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of $137,568 (the "Series 2015 A Bonds");

(14) Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of $4,586 (the "Series 2015 B Bonds");

(15) Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of $8,111,813 (the "Series 2015 C Bonds");

(16) Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of $1,688,394 (the "Series 2015 D Bonds");

(17) Combined Utility System Revenue Bonds, Series 2015 E (West Virginia SRF Program), of the Issuer, dated June 11, 2015, issued in the original aggregate principal amount of $662,300 (the "Series 2015 E Bonds");

(18) Combined Utility System Revenue Bonds, Series 2016 A, of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $69,755,000 (the "Series 2016 A Bonds");

(19) Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), of the Issuer, dated December 15, 2016, issued in the original aggregate principal amount of $25,000,000 (the "Series 2016 B-1 Bonds");

(20) Combined Utility System Revenue Bonds, Series 2017 A (Bank Qualified), dated December 21, 2017, issued in the original aggregate principal amount of $2,695,000 (the "Series 2017 A Bonds"); and

(21) Combined Utility System Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), dated January 31, 2018, issued in the original aggregate principal amount of $394,074 (the "Series 2018 A Bonds").

The Series 2000 A Bonds, Series 2000 B Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 A Bonds, Series 2016 B-1 Bonds, Series 2017 A Bonds and Series 2018 A Bonds are hereinafter collectively called the "Prior Bonds." The ordinances which authorized the issuance of the Prior Bonds, as supplemented, are herein collectively referred to as the "Prior Ordinances." As of June 1, 2018, the Prior Bonds are outstanding in the aggregate principal amount of $159,230,332. See chart contained in "DEBT SERVICE REQUIREMENTS – Existing Long-Term Debt of the Combined Utility System" herein.

The Issuer also has outstanding is Combined Utility System Revenue Bonds, Series B-2 (West Virginia SRF Program/Green), dated December 15, 2016, issued in the original aggregate principal amount of $500,000 (the "Series 2016 B-2 Bonds") the repayment of which is not secured by the Gross Revenues of the System. The outstanding principal amount of the Series 2016 B-2 Bonds which is advanced in each Fiscal Year is forgiven by the holder of the Series 2016 B-2 Bonds on the last day of such Fiscal Year. The Series 2016 B-2 Bonds do not bear any interest.

Future Bond Issues

The Issuer and MUB anticipate the issuance of bonds on a parity with the Series 2018 B Bonds in the future. Such future bond issues include, but will not be limited to, Additional Parity Bonds to finance the following projects which are in various stages of planning or commitment:

Rockley Road Water Project.

The Series 2018 A Bonds were issued for the purpose of financing the design, acquisition, construction and equipping of a potable water line extension to serve approximately 20-25 new customers along Rockley Road in an unincorporated area of Monongalia County outside the corporate limits of the Issuer (the "Rockley Road Water Project"). Following the issuance of the Series 2018 A Bonds, a rock slide along the proposed route of the Project increased the construction costs of the Rockley Road Water Project. The additional construction costs will be financed in part through the issuance by the Issuer of its Combined Utility System Revenue Bonds, Series 2018 A-2 (West Virginia Infrastructure Fund) in the aggregate principal amount of $140,715. The remaining additional construction costs of the Rockley Road Water Project will be financed through a grant from the West Virginia Infrastructure and Jobs Development Council in the amount of $140,714. While the Series 2018 A-2 Bonds will be issued with a lien on the Gross Revenues of the Combined Utility System on a parity with the Prior Bonds and the Series 2018 B Bonds, each of the new Water System customers served by the Rockley Road Water Project will pay a monthly surcharge, in addition to existing rates and charges of the Water System, which will be sufficient, along with the monthly surcharges paid by the other new Water System customers served by the Rockley Road Water Project, to pay the principal of, and interest on, the Series 2018 A Bonds and the Series 2018 A-2 Bonds. The Series 2018 A-2 Bonds are anticipated to be issued in July, 2018.

Acquisition of River Road PSD

In early 2018, MUB received a request from River Road PSD to acquire the River Road Water System. As consideration for the acquisition, the Issuer will assume the existing debt of River Road PSD which is secured by the River Road Water System, as described below:

(1) Water Revenue Bonds, Series 2001 (West Virginia DWTRF Program), dated October 25, 2001, issued in the original aggregate principal amount of $1,068,500 and presently outstanding in the amount of $264,009 (as of 4/30/2018); and

(2) Water Revenue Bonds, Series 2016 A (West Virginia DWTRF Program), dated August 11, 2016, issued in the original aggregate principal amount of $2,546,000 and presently outstanding in the amount of $2,500,307 (as of 4/30/2018) (collectively, the "River Road Bonds").

The assumption of the River Road Bonds will occur through the issuance by the City of two separate series of Combined Utility System Revenue Bonds in the outstanding principal amounts of, and with the existing terms of, the River Road Bonds, which will be on a parity with the Bonds. MUB's acquisition of the River Road Water System must be approved by the Public Service Commission of West Virginia, as well as the West Virginia Water Development Authority as the holder of the River Road Bonds. If the acquisition of the River Road System does occur, MUB anticipates that the transaction will close in the first half of 2019.

STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES

State Utility Regulation

Public water and sewer utilities in West Virginia are subject to regulatory review by the PSC. Public municipal stormwater facilities are not subject to PSC regulation. Pursuant to state legislation which became effective in June 2015, and subsequently further clarified by state legislation effective in June 2017 (collectively, "Senate Bill 234"), the scope of PSC authority over larger public water and sewer utilities such as MUB was reduced. As a result of Senate Bill 234, MUB was exempted from PSC regulation and approval of, among other things:

1. Amendments and modifications to rates and charges of the Water System and the Sewer System; and

2. The requirement to obtain prior PSC approval for construction of capital projects which are outside "the normal course of business."

The authority of the PSC over large public water and sewer utilities, however, has been effectively enlarged by a recent court decision. Specifically in SWVA v. Huntington Sanitary Board, *et. al.*, Case Number 17-0120 (Memorandum Decision, November 14, 2017), the Supreme Court of Appeals of West Virginia held, among other things, that the PSC retains jurisdiction over, and is the proper venue for, complaints by customers of such large public water and sewer utilities for failure to satisfy statutorily mandated public notice requirements for approval by City Council of (1.) amendments and modifications of rates and charges for public water and public sewer systems; and (2.) construction of projects for public water and/or sewer systems which are outside of "the normal course of business." Accordingly, while the changes to the state regulatory structure through Senate Bill 234 result in significant savings of both time and expense for MUB when pursuing both rate increases and capital projects, SWVA v. Huntington Sanitary Board created some uncertainty regarding the extent to which the regulatory jurisdiction of the PSC has been reduced.

Senate Bill 234 provided specific protection to bondholders. Specifically, West Virginia Code Section 24-2-1(b)(8) was amended by Senate Bill 234 to provide as follows:

> In the event that a political subdivision has a deficiency in either its bond revenue or bond reserve accounts, or is otherwise in breach of a bond covenant, the bondholder may petition the public service commission for such redress as will bring the accounts to current status or otherwise resolve the breached covenant, and the commission shall have jurisdiction to fully resolved the alleged deficiency or breach.

Neither the Issuer or MUB is aware that any bondholder has petitioned the PSC for relief pursuant to this specific authority since it became effective on June 12, 2015.

Rate Setting and Project Approval Process

The PSC retains authority to investigate and resolve: (i) disputes between MUB and the Resale Customers regarding rates, fees and charges for the Water System and Sewer System; and (ii) complaints by MUB customers regarding the PSC's exercise of powers enumerated in Chapter 24, Article 2, Section 1(b) of the Code of West Virginia, 1933. Moreover, the PSC regulatory oversight includes regulation of measurements, practices, acts or service of MUB, regulation of MUB's system of accounts, regulation of MUB's submission of tariffs, adjudication of service territory disputes, and certain agreements between utilities.

The Council of the City has the authority to implement rates and charges for the Combined Utility System through the enactment of a Rate Ordinance. Such rates and charges are required by the Act to be sufficient at all times to: (i) provide for the payment of interest on all bonds issued pursuant to the Act and to create a sinking fund to pay the principal of such bonds as and when the same becomes due, and reasonable reserves therefore; (ii) provide for the repair, maintenance and operation of the systems; (iii) provide an adequate revenue and replacement fund; and (iv) make any other payments required or provided for in the applicable bond ordinance. The Act provides that rates and charges established by municipally operated combined utility systems shall be just, reasonable, applied without unjust discrimination or preference and based primarily on the costs of providing service. Under the Act, a municipality is required to maintain a "working capital reserve" for its respective water, sewerage and stormwater systems in an amount of no less than one-eighth (12.5%) of its actual annual operation and maintenance expense, which amount must be separate and distinct from and in addition to any renewal and replacement fund.

Enactment of a Rate Ordinance by City Council requires a minimum of four to six weeks, including pre-enactment notice of the proposed increased rates and charges. The Council of the City must have two readings of a Rate Ordinance, separated by fourteen (14) days, with a public hearing prior to the second reading. Pre-enactment notice of the proposed rates and charges must be provided to the City's customers with the billing statement in the month prior to the first reading of a Rate Ordinance. Once enacted by the City, the proposed rates and charges are subject to investigation by the PSC upon the filing of a complaint by any one of the Resale Customers of the portion of the Combined Utility System for which such rates and charges are being modified. Resale Customers have no statutory timeframe following the enactment of a Rate Ordinance within which they must file a complaint, nor does the PSC have a statutory time frame within which to render a decision on such a complaint. As explained in the previous section, the decision in SWVA v. Huntington Sanitary Board clarified that any customer may bring a complaint at the PSC alleging, at a minimum, failure of the City Council to follow statutorily mandated notice requirements related to the Rate Ordinance.

The Council of the City also must approve capital projects for the Combined Utility System which are not in the "normal course of business" through the enactment of a project ordinance (a "Project Ordinance"). Enactment of a Project Ordinance requires a minimum of four to six weeks, including pre-enactment notice of the proposed capital project and any change in rates and charges associated with the capital project. The Council of the City must have two readings of a Project Ordinance, separated by fourteen (14) days, with a public hearing prior to the second reading. Pre-enactment notice of the capital project and any associated charge in rates and charges must be provided to the City's customers with the billing statement in the month prior to the public hearing on a Project Ordinance. Approval by the Council of the City of a Project Ordinance cannot go into effect any sooner than 45 days after the date of enactment of a Project Ordinance. As explained in the previous section, the decision in SWVA v. Huntington Sanitary Board clarified that any customer may bring a complaint at the PSC alleging, at a minimum, failure of the City Council to follow statutorily mandated notice requirements related to a Project Ordinance, or a determination that a particular project is "in the normal course of business" and, thus, a Project Ordinance is not required.

MUB Rate History and Comparison

The table below shows the recent rate history of MUB. MUB does not have a policy of regularly pursuing rate increases on a pre-determined schedule.

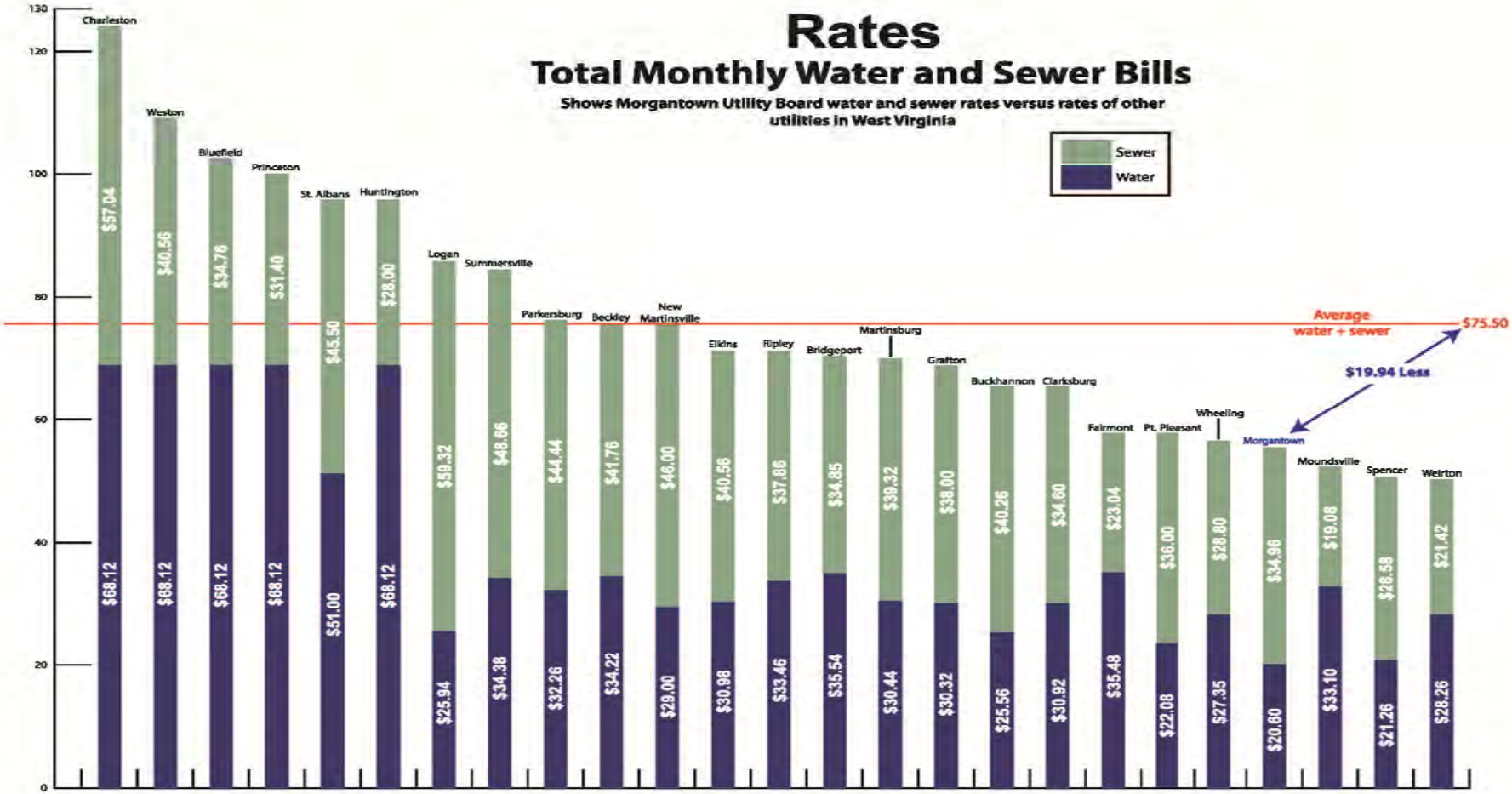
Morgantown Water				Morgantown Sewer				Cheat Sewer			
	Bill Amount (in Gallons)		Percent		Bill Amount (in Gallons)		Percent		Bill Amount (in Gallons)		Percent
Date	4,500	200,000	Increase	Date	4,500	200,000	Increase	Date	4,500	200,000	Increase
12/19/1992	$5.92	$186.96		12/19/1992	$12.03	$487.90		2/7/1995	$12.96	$576.00	
1/20/2005	$7.65	$242.94	29%	1/20/2005	$12.77	$504.30	6%	1/1/2001	$37.50	$1,281.50	189%
9/28/2005	$8.03	$253.10	5%	9/28/2005	$13.83	$561.20	8%	7/1/2014	$46.50	$1,589.06	24%
10/4/2008	$8.98	$283.64	12%	11/22/2008	$15.48	$627.92	12%				
1/1/2012	$17.42	$586.40	94%	1/1/2012	$20.97	$839.60	35%				
7/1/2016	$23.18	$780.80	33%	7/1/2016	$39.33	$1,574.40	87.5%				

Most of MUB's rate increases have been initiated as a result of new projects and the need to increase revenues for project-related debt service. These project-related increases have also included additional new revenues to address increased O&M expenses. The need for general inflation-based rate increases is limited by several favorable factors, including:

- Sustained customer growth
- Sustained system growth by both system extensions and acquisitions
- Investment income
- Rents and leases
- Additional revenues earned by sale of contract services to the Resale Customers, including
    - Operation and Maintenance
    - Billing and collection

By aggressively managing the above, MUB maintains some of the lowest rates in the State. The table on the following page demonstrates the combined average water and sewer rates for residents of 25 municipalities including the Issuer, in West Virginia.

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* Prepared by MUB from information on file at West Virginia Public Service Commission

MUB Retail Customer Collection Process

The 10 year average of uncollectible accounts is less than 0.24% percent of invoices issued for utility services.

MUB employs a regimented collection protocol, including written reminder notices, text messages, and phone calls to customers with late accounts. Upon default, and pursuant to tariff and state law, MUB will physically terminate water service for a past due account. Reactivation of service occurs only upon full payment of the account and a deposit made as guarantee against future service billing. Pursuant to MUB policy and state law, MUB offers payment arrangements in hardship cases. No free service, however, is offered or provided to any customer, private or public.

New customers must provide a security deposit before service is provided. The deposit is held for a minimum of 1 year and, if the account is and has been current, it is returned as a credit on a bill. In the case of unpaid final bill balances, with which there is no active customer account, the accounts are referred to a third party collection agency 30 days after the bill is past due.

MUB Retail Customer Uncollectible Accounts

FYE (ending June 30)	Water	Morgantown Sewer	Cheat Sewer	Storm	Total	% of Total Revenues	Total Revenues
2017	$24,348	$22,411	$3,472	$3,029	$53,260	0.16%	$33,758,062
2016	$20,866	$21,929	$1,931	$3,394	$48,120	0.21%	$23,145,261
2015	$25,958	$30,273	$1,917	$3,530	$61,678	0.27%	$23,045,380
2014	$17,708	$24,400	$2,873	$4,498	$49,479	0.22%	$22,156,348
2013	$8,991	$18,039	$7,230	$10,764	$45,024	0.21%	$21,717,305
2012	$12,158	$19,189	$2,911	$5,673	$39,931	0.22%	$18,449,323
2011	$26,438	$17,729	$3,381	$4,101	$51,649	0.34%	$15,152,814
2010	$10,578	$16,845	$2,770	$3,544	$33,737	0.23%	$14,913,693
2009	$12,216	$17,504	$2,705	$3,378	$35,803	0.25%	$14,247,159
2008	$12,772	$15,290	$2,991	$3,246	$34,299	0.26%	$13,151,596

As demonstrated by the data above, following the significant water and sewer rate increases in 2016 to finance the 2016 Sewer System Project and the Project, MUB's uncollectible accounts actually decreased as a percentage of Total Revenues.

MUB Resale Customer Collection Process

The PSC has jurisdiction over collection issues between utilities. Accordingly, in the event that any of the Water Resale Customers or Sewer Resale Customers becomes delinquent, the PSC is the appropriate venue for MUB to seek redress. The PSC has the authority to order the rates of the customers of a Resale Customer increased and/or the imposition of a surcharge on the customers of the Retail Customer in order to assure the full payment to MUB. MUB does not have the ability to terminate service to any Resale Customer without PSC approval.

Pleasant Valley Public Service District, a water resale customer ("Pleasant Valley"), made only partial payments for its water purchases for a period of time including 2015 and 2016, culminating in 2016 with an arrearage to MUB of approximately $200,000. MUB filed a complaint case at the PSC, Case No. 16-0797-PWD-19A, seeking the imposition of rates and/or a surcharge upon the Pleasant Valley customers to repay the obligation to MUB. The case was decided in MUB's favor, and the PSC has ordered Pleasant Valley to establish both permanent and temporary rates sufficient so that the arrearage will be repaid over 24 months, and so that current amounts owed will be paid in full. Pleasant Valley's payments are currently in compliance with said Order.

LITIGATION

There is not now pending or, to the best of the Issuer's and MUB's knowledge, threatened any litigation restraining or enjoining the issuance or delivery of the Series 2018 B Bonds or questioning or affecting the validity of the Series 2018 B Bonds, the proceedings and authority under which they are to be issued, nor is the creation, organization, or existence of the Issuer or MUB being contested. Nor is there any litigation pending or, to the best of the Issuer's and MUB's knowledge, threatened which (i) in any manner questions the right of the MUB to operate the Combined Utility System or MUB's right to conduct its activities in accordance with the provisions of the Act and the Series 2018 B Ordinance, or (ii) if determined adversely to MUB, would have a material adverse impact on the financial condition of the Combined Utility System.

The Issuer and MUB are subject to a variety of suits and proceedings arising out of their ordinary course of operations, some of which may be adjudicated adversely to the Issuer or MUB. Any such litigation is of a routine nature which does not affect the right of the Issuer or MUB to conduct its business or the validity of the Issuer's obligations.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2018 B Bonds are subject to the unqualified approving opinion of Steptoe & Johnson PLLC, Bond Counsel, whose opinion will be delivered concurrently with the delivery, upon original issuance, of the Series 2018 B Bonds, substantially as set forth as "APPENDIX D – PROPOSED FORM OF BOND COUNSEL OPINION" herein. Steptoe & Johnson PLLC also serves as Disclosure Counsel to the Issuer and MUB. Certain legal matters will be passed upon for the Issuer by Steptoe & Johnson PLLC as special counsel to the Issuer. Certain legal matters will be passed on for MUB by its Counsel, Tim Stranko, PLLC. Jackson Kelly PLLC will pass upon certain matters as counsel for the Underwriters.

CONTINUING DISCLOSURE

The Issuer has agreed to an undertaking (the "Undertaking") for the benefit of the Registered Owners of the Series 2018 B Bonds to provide certain financial and operating information (the "Annual Financial Information") not later than the last day of the Fiscal Year (presently ending June 30) immediately following the end of the Issuer's Fiscal Year for which disclosure is due, commencing with the report for the Fiscal Year ending June 30, 2018, and to provide notice of the occurrence of enumerated events, all as further described in the Continuing Disclosure Agreement to be entered by the Issuer in substantially the form attached as "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT" herein. The Annual Financial Information and each notice of enumerated events is required to be filed electronically by DAC (defined in Appendix F), as dissemination agent on behalf of the Issuer, with the Electronic Municipal Markets Access system ("EMMA").

The continuing disclosure obligation is being undertaken by the Issuer to assist the Underwriters in complying with Rule 15c2-12 promulgated by the SEC. The Issuer has agreed to give notice in a timely manner to EMMA. However, any such failure will not constitute a default under the terms of the Series 2018 B Ordinance or the Series 2018 B Bonds. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. See "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT" herein. Registered Owners may contact the City Manager for more information. See "MISCELLANEOUS" herein.

Prior Continuing Disclosure Undertakings

The Issuer previously entered into continuing disclosure agreements with respect to certain of the Prior Bonds. Despite the existence of these prior continuing disclosure agreements and the Rule (as described above), the Issuer:

Failed to timely file Audited Financials for the Fiscal Years ended June 30, 2012, June 30, 2013, June 20, 2014 and June 30, 2015, and failed to timely file notices of failure to timely file such Audited Financials in each such instance;

Failed to timely file Operating Data for the Combined Utility System for the Fiscal Years ended June 30, 2011 and June 30, 2009, and failed to timely file notices of failure to timely file such Operating Data in each such instance; and

Failed to timely file notices of rating changes related to the insurer of the Issuer's Series 2010 A and Series 2010 F Bonds, and failed to timely file notices of failure to timely file notices of such rating changes in each such instance.

All such filings of Audited Financials and Operating Data, as well as material event notices, have been made as of the date hereof, as well as all notices of failure to timely make all such filings.

The Issuer has engaged DAC to serve as dissemination agent for the Series 2018 B Bonds, as well as the Series 2010 A Bonds, the Series 2010 F Bonds, the Series 2016 A Bonds and the Series 2017 A Bonds.

TAX MATTERS

General

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2018 B Bonds (i) is excludable from gross income of the holders thereof for federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Code; (ii) is not a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the federal alternative minimum tax imposed on individuals and corporations; provided, however, that interest on the Series 2018 B Bonds is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax that may be imposed on corporations; and (iii) under the laws of the State of West Virginia, the Series 2018 B Bonds are exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia. See West Virginia Code Section 8-20-5.

The opinions described in this section are subject to the condition that the Issuer complies on a continuing basis with all requirements of the Code, and regulations thereunder that must be satisfied for interest on the Series 2018 B Bonds to be or continue to be excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the interest on the Series 2018 B Bonds to be included in the gross income of the recipients thereof for purposes of federal income taxation, including retroactively to the date of issuance of the Series 2018 B Bonds.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Series 2018 B Ordinance and the Tax Certificate relating to the Series 2018 B Bonds permit certain actions to be taken or to be omitted if a favorable opinion of a bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest on any Series 2018 B Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Series 2018 B Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series 2018 B Bonds might be affected as a result of such an audit of the Series 2018 B Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Series 2018 B Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Series 2018 B Bonds or their market value.

Special Considerations with Respect to the Series 2018 B Bonds

The accrual or receipt of interest on the Series 2018 B Bonds may otherwise affect the federal income tax liability of the owners of the Series 2018 B Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Prospective purchasers should be aware of certain collateral consequences which may result under federal tax law for certain holders of the Series 2018 B Bonds: (i) Section 265 of the Code denies a

deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2018 B Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series 2018 B Bonds, (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for losses incurred by 15 percent of the sum of certain items, including interest on the Series 2018 B Bonds, (iii) interest on the Series 2018 B Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iv) passive investment income, including interest on the Series 2018 B Bonds, may be subject to federal income taxation under Section 1375 of the Code for an S Corporation that has Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such S Corporation is passive investment income, (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income receipts or accruals of interest on the Series 2018 B Bonds, and (vi) receipt of investment income, including interest on the Series 2018 B Bonds, may, pursuant to Section 32(i) of the Code, disqualify the recipient from obtaining the earned income credit provided by Section 32(a) of the Code.

Backup Withholding

Interest paid on tax-exempt obligations such as the Series 2018 B Bonds is generally required to be reported by payors to the IRS and to recipients in the same manner as interest on taxable obligations. In addition, such interest may be subject to "backup withholding" if the Bondholder fails to provide the information required on IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the Bondholder as being subject to backup withholding because of prior underreporting. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Series 2018 B Bonds from gross income for federal tax purposes.

Changes in Federal and State Tax Law

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Series 2018 B Bonds, including legislation, court decisions, or administrative actions, whether at the federal or state level, may affect the tax exempt status of interest on the Series 2018 B Bonds or the tax consequences of ownership of the Series 2018 B Bonds. No assurance can be given that future legislation, if enacted into law, will not contain provisions which could directly or indirectly reduce the benefit of the exclusion of the interest on the Series 2018 B Bonds from gross income for federal income tax purposes or any state tax benefit. Tax reform proposals and deficit reduction measures, including the limitation of federal tax expenditures, are expected to be under ongoing consideration by the United States Congress. These efforts to date have included proposals to reduce the benefit of the interest exclusion from income for certain holders of tax-exempt bonds, including bonds issued prior to the proposed effective date of the applicable legislation. Future proposed changes could affect the market value or marketability of the Series 2018 B Bonds, and, if enacted, could also affect the tax treatment of all or a portion of the interest on the Series 2018 B Bonds for some or all holders. Holders should consult their own tax advisors with respect to any of the foregoing tax consequences.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2018 B Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2018 B Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2018 B Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2018 B Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Original Issue Discount

Original issue discount ("OID") is the excess, if any, of the stated redemption price at maturity over the issue price. The issue price is the initial offering price to the public, excluding underwriter and other intermediaries, at which price a substantial amount of the debt instrument was sold. The Series 2018 B Bonds maturing on December 1, 2029, December 1, 2030, December 1, 2031, December 1, 2032 and December 1, 2035 (collectively, the "Series 2018 B Discount Bonds"), were sold with OID. For federal income tax purposes, OID accrues to the owner of a Series 2018 B Discount Bond over the period to maturity based on the constant yield method, compounded annually (or over a shorter permitted compounding interval selected by the owner). The portion of the OID that accrues during the period of ownership of a Series 2018 B Discount Bond (i) will be interest excludable

from the owners' gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2018 B Bonds, and (ii) will be added to the owner's tax basis for purposes of determining a gain or loss on the maturity, redemption, prior sale or other disposition of that Series 2018 B Discount Bond. A purchaser of a Series 2018 B Discount Bond in the initial public offering at the price for that Discount Bond stated on the inside front cover page of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Series 2018 B Discount Bond.

Owners of Series 2018 B Discount Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID properly accruable in any period with respect to the Series 2018 B Discount Bonds as to other federal tax consequences, and the treatment of the OID for purposes of state and local taxes on, or based on, income.

Original Issue Premium

The Series 2018 B Bonds maturing on December 1, 2019, December 1, 2020, December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024, December 1, 2025, December 1, 2026, December 1, 2027, December 1, 2028, December 1, 2033, December 1, 2034, December 1, 2036, December 1, 2037, December 1, 2038, December 1, 2043 and December 1, 2048 (collectively, the "Series 2018 B Premium Bonds") were sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity in the case of the "Noncallable Series 2018 B Premium Bonds" or their earlier call date in the case of the "Series 2018 B Callable Premium Bonds." The difference between the principal amount payable at maturity of the Series 2018 B Noncallable Premium Bonds and the tax basis of a Noncallable Premium Bond to a purchaser and the difference between the amount payable at the call date of the Callable Series 2018 B Premium Bonds that minimizes the yield to a purchaser of a Callable Premium Bond and the tax basis to a purchaser (in either case, other than a purchaser who holds a Series 2018 B Premium Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) will be "bond premium." For federal income tax purposes, bond premium is amortized over the period to maturity of a Noncallable Series 2018 B Premium Bond. A purchaser of a Series 2018 B Premium Bond will be required to decrease his or her adjusted basis in the Series 2018 B Premium Bond by the amount of amortizable bond premium attributable to each taxable year he or she holds the Premium Bond. The amount of amortizable bond premium attributable to a taxable year will be determined at a constant interest rate compounded annually. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Series 2018 B Premium Bond.

Owners of Series 2018 B Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of bond premium properly accruable in any period with respect to the Series 2018 B Premium Bonds as to other federal tax consequences, and the treatment of the bond premium for purposes of state and local taxes on, or based on, income.

RATINGS

S&P Global Rating Services, a division of the McGraw Hill Companies, Inc. ("S&P") and Moody's Investor Services ("Moody's") have assigned the Series 2018 B Bonds underlying ratings of "A+" (stable outlook) and "A1", respectively.

The Issuer did not apply for any other ratings related to the Series 2018 B Bonds.

Each such rating reflects only the views of such rating agency. Any desired explanation of the significance of such rating should be obtained from S&P. Certain information and materials not included in this Official Statement were furnished by the Issuer to S&P. There is no assurance either of these ratings will continue for any period of time or that the rating will not be reviewed, downgraded or withdrawn entirely if, in the judgment of S&P circumstances so warrant. The Underwriters have undertaken no responsibility to bring to the attention of the Bondholders any proposed revision or withdrawal of the ratings of the Series 2018 B Bonds or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of a rating could have an adverse effect on the market price of the Series 2018 B Bonds.

UNDERWRITING

The Series 2018 B Bonds are being purchased by the Underwriters named on the cover of this Official Statement. The Bond Purchase Agreement provides that the Underwriters will purchase all the Series 2018 B Bonds, if any are purchased, at a purchase price equal to the initial public offering prices set forth on the cover page hereof less an Underwriters' discount of $190,069.98, plus net original issue premium of $4,089,120.90. The obligation to make such purchase is subject to the terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel. The Underwriters may change the initial public offering prices from time to time. The Underwriters may offer and sell Series 2018 B Bonds to certain dealers (including dealers depositing Series 2018 B Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof, and such public offering price also may be changed without prior notice, from time to time, by the Underwriters.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the course of their various business activities, the Underwriters and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of MUB directly, as collateral securing other obligations or otherwise and/or persons and entities with relationships with MUB. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

FINANCIAL ADVISOR

The Issuer and MUB have retained PFM Financial Advisors LLC as Financial Advisor. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

FINANCIAL STATEMENTS

Included herein as Appendix B are the audited financial statements (and reports with respect thereto) of the Morgantown Utility Board as of June 30, 2017. The financial statements have been included herein in reliance upon the reports of the preparers thereof as experts in auditing and accounting. MUB has obtained the consent of Perry & Associates, Certified Public Accountants, A.C. to publish the audited financial statements with this Official Statement.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract or agreement with the purchasers or owners of the Series 2018 B Bonds.

Copies of the Series 2018 B Ordinance, the Undertaking, the Act and other applicable documents may be obtained from the Issuer at the following address:

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

or, during the period of offering the Series 2018 B Bonds, from the Underwriters. Ongoing financial information may be obtained from the Issuer at the address set forth above or EMMA.

This Official Statement has been duly approved and its execution and distribution authorized by the Issuer and MUB.

THE CITY OF MORGANTOWN (WEST VIRGINIA)

By: /s/ Bill Kawecki
Mayor

MORGANTOWN UTILITY BOARD

By: /s/ J.T. Straface
Chairman

APPENDIX A

THE CITY OF MORGANTOWN (WEST VIRGINIA)
ECONOMIC AND DEMOGRAPHIC DATA

General

The City of Morgantown is the County seat of Monongalia County, located along the Monongahela River and close to the Pennsylvania border, in north central West Virginia. Morgantown is home to West Virginia University, the largest institution of higher education in the State with an annual enrollment of approximately 28,776 students and is the medical, cultural, and commercial hub of the region. The full-time population in Morgantown is estimated at 30,000.

Morgantown and Monongalia County offer "Mountains of Opportunity" for business development and expansion. This is one of the major growth areas in the State. Monongalia County has been one of the fastest growing counties in the State over the last two decades.

Morgantown and Monongalia County have consistently experienced some of the lowest unemployment rates in the State. Major employers in the City include the National Institute of Occupational Safety and Health (NIOSH), Mylan Pharmaceuticals, and West Virginia University.

One-half of the population of the United States, and one-third of the population of Canada, is located with 500 miles of Morgantown. Morgantown is one day's drive from 6 of the 8 largest U.S. metropolitan areas, 20 metro areas with populations of 1 million or more, and 22 of the nation's top 35 industrial markets.

City Government

The City of Morgantown is governed by a City Manager-Council form of government, which was adopted in the City Charter in 1977.

Council member terms are two years in duration, with members being voted onto council for each of seven wards. The terms of council members are not staggered; thus all seven council seats are up for election every two years. Prospective council members must be sponsored by 75 registered voters from their ward to be placed on the election ballot. Once on the ballot, council members are elected by all voters of the City. The Mayor is elected from the members of council, by the council members, every two years.

The current Mayor and members of the council are as follows:

MEMBER	TERM EXPIRES
Bill Kawecki, Mayor	June 30, 2019
Rachel Fetty	June 30, 2019
Ryan Wallace	June 30, 2019
Jennifer Selin	June 30, 2019
Ron Dulaney, Jr.	June 30, 2019
Mark Brazaitis	June 30, 2019
Barry Lee Wendell	June 30, 2019

Population

The population of The City of Morgantown for the last decade is set forth below:

Year	Population	Year	Population
2010	28,984	2015	30,708
2009	30,333	2014	31,073
2008	29,639	2013	30,666
2007	29,308	2012	30,273
2006	29,217	2011	29,860

Source: U.S. Census Bureau

The total population for The City of Morgantown and Monongalia County from 1970 to 2010 are as follows

Year	Morgantown	Monongalia County	Area*
1970	29,431	63,714	N/A
1980	27,605	75,024	410,500
1990	28,280	75,645	381,100
2000	26,697	81,907	394,897
2010	28,984	96,776	

*Represents Monongalia County and six contiguous counties including Fayette County and Greene County in Pennsylvania and Marion County, Preston County, Taylor County and Wetzel County, West Virginia.

Additional Information on Monongalia County for 2010 includes:

Population	96,776
Households	43,238
Persons per Household	2.24

Transportation and Location

The City of Morgantown is served by the following:

Highways:
I-79 and I-68; U.S. 19 and 119; WV 7, 100 and 218

Transit:
Greyhound Bus Lines; Mountain Line (city/county transit); WVU Personal Rapid Transit

Transit Railroads:
Norfolk-Southern Railroad offers daily freight service.

Air:
Morgantown Municipal Airport (Hart Field) offers daily commuter service to Pittsburgh via US Air Express. Pittsburgh International Airport is 80 miles north of Morgantown.

Water:
The Monongahela River is a navigable waterway with a nine-foot channel depth.

Highway Distances from Morgantown (miles)

City	Distance from Morgantown, WV (miles)
Baltimore, MD	212
Charleston, WV	156
Charlotte, NC	376
Chicago, IL	529
Cleveland, OH	201
Columbus, OH	205
New York, NY	379
Philadelphia, PA	313
Pittsburgh, PA	75
Washington, DC	209

Source: www.distance-cities.com

Education

The following chart shows the information for the types of schools and the number of each that are in Monongalia County for the school years 2014-2015:

Type of school	Public	Private
Elementary Schools (PK-6)	11	4
Middle Schools (varies 5-8)	5	5
High Schools (varies 7-12)	3	2
Technical Centers	1	0
Alternative Education	0	1

Source NCES, 2010-2011

The total public school enrollment for Monongalia County in 2014-2015 was 11,192 students. The combined graduation rate for 3 high schools was 90.7%. The pupil/teacher ratio is 15.2:1.

Source: NCES, WV SBA

Higher Education

West Virginia University ("WVU") is located in Morgantown and is the flagship institution of higher education in the State of West Virginia. A public land grant institution, WVU was founded in 1867. WVU has 135 colleges and schools that offer 191 bachelor, masters, doctoral and professional degree programs. WVU is a "Carnegie Research University" and as such, is one of the nation's top research universities.

Source: www.wvu.edu

Other post-secondary schools in the State include West Virginia Junior College in Morgantown, Fairmont State University in Fairmont, West Virginia; Salem International University in Salem, West Virginia and Waynesburg University in Waynesburg, Pennsylvania.

Libraries

The Morgantown Public Library System consists of the main facility in downtown Morgantown, as well as four branches located in the Cheat Lake Area, Clinton District, Clay-Battelle and Aull Center. One library card can be used throughout the entire Northern Library Network. Free public access to Internet terminals with word processing capabilities is available and the library system offers a wide variety of free day and evening programs.

The West Virginia University Library supports the teaching, research and service functions of WVU. The libraries contain close to 1.9 million History OnView website catalogs/volumes, 229 electronic databases and more than 45,000 online full-text journals, with access to 36 million volumes through a book-sharing consortium. In addition, the West Virginia University Library contains 40,000 historical photos. The libraries also subscribe to more than 5,000 print periodical titles and have access to more than 17,000 electronic journals. The library system includes five libraries: the Downtown Library Complex, the Libraries Depository, the Law Library, the Health Sciences Library and the Evansdale Library.
Source: www.wvu.edu

Health Care

Hospitals The Monongalia General Hospital is an accredited, community-based hospital providing a full range of inpatient, surgical, medical, outpatient, and emergency room services. As a 189-bed general hospital, Monongalia General Hospital is the flagship of Monongalia Health System (MHS), an integrated health care delivery system, which offers a full range of health care services. Monongalia General Hospital's web site is www.monhealth.com.

The Robert C. Byrd Health Sciences Center of West Virginia University offers a full range of health care, provided by WVU faculty physicians and associated professionals. Ruby Memorial Hospital is the largest facility in the WVU Hospitals family, which includes WVU Children's Hospital, a same-day surgery center, a skilled nursing unit, and the region's only Level 1 trauma center. Also on the health science campus are the Mary Babb Randolph Cancer Center, Chestnut Ridge psychiatric hospital, the Sleeth Family Medicine Center, and HealthSouth Mountainview Regional Rehabilitation Center. WVU also hosts a major facility of the National Institute for Occupational Safety and Health. The campus is home to the state's helicopter ambulance service and is served by a nearby Ronald McDonald House.

Health Clinics The following are health clinics located in and around Morgantown: Clay Battelle Community Health Center; Morgantown Orthopedic Associates, Inc.; WVU - Cheat Lake Medical Associates Center for Excellence in Disabilities; Community Medical Associates; Cheat Lake Urgent Care; Physicians Office Center; Monongalia County Health Department; Morgantown Ear, Nose and Throat Clinic; Valley Community Mental Health Center; Morgantown Health Right Clinic; VanVoorhis Family Practice Center.

Utilities

The following public utilities provide service in Morgantown:

Electric: Allegheny Power
Natural Gas: Dominion Hope, Mountaineer Gas Company
Water, Sewer, and Stormwater: Morgantown Utility Board

Employers
The top employers in The City of Morgantown and Monongalia County:

Employer
West Virginia University
West Virginia University Hospital
Mylan Pharmaceuticals, Inc.
Monongalia Board of Education
Monongalia General Hospital
Wal-Mart Stores, Inc.
WV University Medical Corporation (University Health Associates)
Gabriel Brothers, Inc.
Teletech Customer Care Management (WV) Inc.
The Kroger Company

Source: Workforce WV (March 2015)

Unemployment
The average annual percentage of unemployment rates is as follows:

Year	City of Morgantown	Monongalia County	West Virginia	United States
2008	3.4	2.7	4.3	7.3
2009	6.8	4.4	7.9	9.9
2010	6.1	5.5	9.1	9.3
2011	5.7	5.0	7.4	8.5
2012	5.4	4.8	7.3	7.9
2013	4.6	4.0	6.7	6.7
2014	3.7	3.7	5.9	5.6
2015	5.7	3.8	6.2	5.0
2016	4.7	4.5	5.7	4.9

Source: Workforce WV, U.S. Bureau of Labor Statistics

Taxes

Local Property Tax (2015 Tax Year): Rate on each $100 valuation. Valuation based on 60 percent of assessed valuation.

	Class I	**Class II**	**Class III & IV**
County	.5055	1.0110	2.0220
Morgantown	.6305	1.2610	2.5220

Source: West Virginia Auditor

Class III & IV: All other assets not in Class II -- most notably commercial and industrial property.

Municipal Business & Occupation Tax:
Charged to businesses located within the municipal boundaries of Morgantown, Westover, and Star City. The tax rates vary according to the type of business and the taxes are based on one hundred dollars of gross income. Contact the municipal B&O tax clerk for more specific information.

Local Sales Tax:
Municipalities have the authority, pursuant to the West Virginia Home Rule Program, to implement a sales tax of up to 1%. Morgantown has not implemented this tax.

State Sales Tax:
6 percent.

Local Income Tax:
There is no local or county income tax.

State Income Tax: Applicable to all taxpayers except married filing separate returns:

Taxable Income		**Tax Liability**		
Over	But Not Over		Plus	Of Excess Over
$0	$10,000	$0	3.0%	$0
10,000	25,000	300.00	4.0%	10,000
25,000	40,000	900.00	4.0%	25,000
40,000	60,000	1,575.00	6.0%	40,000
60,000		2,775.00	6.5%	60,000

Business Taxes: The state of West Virginia presently imposes two primary business taxes: the Corporate Net Income Tax and the Business Franchise Tax. The Corporation Net Income Tax rate is 8.5 percent of the federal taxable income of the corporation for the year. The Corporation Net Income Tax is being reduced in 2012 to 7.75 percent, in 2013 to 7 percent and in 2014 to 6.5 percent. The measure of the Business Franchise Tax is the net worth of the corporation or partnership as determined for federal income tax purposes. The tax is levied at the rate of 0.27 percent or $50, whichever is greater. The Business Franchise Tax is being phased out each year for the next three years. Three additional taxes are levied upon specialized industries. A Severance Tax is imposed on the production of natural resources. The Business and Occupation Tax, a gross receipts levy, is imposed upon public utilities and electric power producers.

THE CITY OF MORGANTOWN, WEST VIRGINIA

COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A (TAX EXEMPT)

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Water Reservoir Project (Public Issue with IJDC Issue)

THE CITY OF MORGANTOWN, WEST VIRGINIA

AN ORDINANCE AUTHORIZING THE DESIGN ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE POTABLE WATER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

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

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

WHEREAS, under the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to design, acquire, construct and operate extensions, additions, betterments and improvements for the Combined Utility System;

WHEREAS, the Issuer has determined the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the raw water supply and storage, water treatment, treated water storage and distribution system for potable water (the “Potable Water System”), specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir, and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements of certain water treatment plant assets, distribution lines, pump stations and storage tanks, and all necessary appurtenances, as determined by the Board (collectively, the “Project”), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined to finance all or a portion of the costs of the Project through the issuance of its The City of Morgantown, Combined Utility System Revenue Bonds, Series 2017 A, in the aggregate principal amount of not more than $50,000,000 (the "Series 2017 A Bonds");

WHERESAS, the Issuer may finance a portion of the costs of the Project through the issuance of its The City of Morgantown, Combined Utility System Revenue Bonds, Series 2017 B (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $20,000,000 (the "Series 2017 B Bonds" and, collectively with the Series 2017 A Bonds, the "Series 2017 Bonds"), the issuance of which is authorized by the enactment by the City Council of the Issuer of an Ordinance contemporaneously herewith (the "Series 2017 B Ordinance");

WHEREAS, the Issuer has determined to enact this Ordinance to authorize the issuance of the Series 2017 A Bonds (the "Series 2017 A Ordinance"), such Series 2017 A Bonds to have such security and such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, Series 2017 A Bonds will be issued on a parity with the Series 2017 B Bonds (if issued), the Prior Bonds and any Additional Parity Bonds (as hereinafter defined) with respect to their lien on and security interest in the Gross Revenues of the Combined Utility System, and the Series 2017 A Bonds shall contain such other terms and provisions as are hereinafter provided, all in the manner set forth herein; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City that its Series 2017 A Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, hereinafter defined;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF MORGANTOWN HEREBY ORDAINS:

ARTICLE I
DEFINITIONS, STATUTORY AUTHORITY, FINDINGS

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

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2017 A Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

"Authorized Officer" means the Mayor of the Issuer or any other officer of the Issuer specifically designated by resolution of the Council of the Issuer.

"Board" shall mean The City of Morgantown Utility Board, created by an ordinance of the Issuer, or any successor thereto, the authorized officer for which is the Board's General Manager.

"Bond Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia which succeeds to the functions of the Bond Commission.

"Bond Counsel" means any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer or the Board, and shall initially mean Steptoe & Johnson PLLC, Charleston, West Virginia.

"Bondholder," "Holder," "Holder of the Bonds," "Owner of the Bonds," "Registered Owner," or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2017 A Bonds, shall initially mean the bond insurer, if any, named in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Series 2017 A Bonds.

"Bond Year" means with respect to each series of Series 2017 A Bonds the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2017 A Bonds, the Series 2017 B Bonds (if issued), the Prior Bonds and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations, West Virginia banking corporations or the New York Stock Exchange are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2017 A Bonds in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS," attached hereto.

"City" or "Issuer" means The City of Morgantown, a municipal corporation and political subdivision of the State of West Virginia, in Monongalia County thereof, and, where appropriate, the Council, the Board and any successor thereto.

"City Clerk" or "Clerk" means the City Clerk of the Issuer.

"City Manager" means the City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2017 A Bonds for the proceeds representing the original purchase price thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

"Combined Utility System" means, collectively, the Potable Water System, the Sewer System and the Stormwater System of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, betterments and improvements hereafter acquired, constructed and/or equipped for the Potable Water System, the Sewer System or the Stormwater System, both within, and outside of, the Issuer's corporate boundaries.

"Connection Fees" means the fees, if any, paid by customers of the Combined Utility System in order to connect thereto.

"Consulting Engineers" means any independent licensed Professional Engineer or Engineers or firm or firms of Licensed Professional Engineers, that shall at any time now or hereafter be retained by the Board as Consulting Engineers for the Combined Utility System, or any portion thereof.

"Costs," "Costs of the Project" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation those costs set forth in Section 1.02C.

"Council" means the City Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the City Council as presently constituted.

"Debt Service" with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to any series of the Bonds during such period.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"DTC" means The Depository Trust Company, New York, New York, or its successor thereof.

"DTC-eligible" means, with respect to the Series 2017 A Bonds, meeting the qualifications prescribed by DTC.

"Event of Default" means any occurrence or event specified in Section 7.01.

"FDIC" means the Federal Deposit Insurance Corporation or any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Government Obligations" shall have the meaning set forth in the Supplemental Resolution.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the Combined Utility System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" include any gains from the sale or other

disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments, as hereinafter defined) or any Tap Fees (as hereinafter defined).

"Independent Certified Public Accountant" means the West Virginia State Tax Department or any licensed Certified Public Accountant or firm of licensed Certified Public Accountants that shall at any time hereafter be retained by the Issuer or the Board to prepare an independent annual or special audit of the accounts of the Combined Utility System or for any purpose except keeping the accounts of said Combined Utility System in the normal operations of its business and affairs, and specifically shall not include any Certified Public Accountant who is an employee of either the City or the Board.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on then outstanding Bonds for the then current or any succeeding Fiscal Year.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by any Bond Insurer simultaneously with the delivery of the Series 2017 A Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2017 A Bonds, in accordance with the terms thereof.

“Municipal Bond Debt Service Reserve Insurance Policy” means a municipal bond debt service reserve policy and may subsequently mean, a letter of credit, surety bond or other financial instrument which is pledged to the Series 2017 A Bonds Reserve Account in the amount of the Series 2017 A Bonds Reserve Requirement.

"Net Proceeds" means the face amount of the Series 2017 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and less proceeds deposited in the Series 2017 A Bonds Reserve Account, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2017 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses (hereinafter defined).

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2017 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 2017 A Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the Combined Utility System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs, fees and expenses of the Combined Utility System, fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds,

taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Ordinance" or "Bond Ordinance" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by supplemental resolution.

"Original Purchaser" means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2017 A Bonds directly from the Issuer, as determined by a resolution supplemental hereto.

"Outstanding" when used with reference to the Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which monies, equal to its then outstanding principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders for the purpose of consents, notices and the like, any Bond registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means, initially, the West Virginia Municipal Bond Commission and any other paying agent for the Series 2017 A Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

“Potable Water System” means, collectively the potable water production and distribution facilities of the Combined Utility System, which specifically includes, but is not limited to, the Issuer’s raw water supply, storage and transmission, water treatment, and treated water storage and distribution, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further additions, betterments and improvements thereto hereafter acquired, constructed and/or equipped for the Potable Water System both within, and outside of, the Issuer’s corporate boundaries.

“Prior Bonds” means, collectively, the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2013 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 A Bonds and Series 2016 B-1 Bonds.

"Prior Ordinances" means, collectively, the ordinances of the Issuer authorizing the issuance of the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

“Project” means the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the Potable Water System, specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements, as determined by the Board, of certain water treatment plant assets, distribution lines, pump stations and storage tanks and all necessary appurtenances.

"Purchase Price" for the purpose of computation of the Yield of the Series 2017 A Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2017 A Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2017 A Bonds of each maturity is sold or, if the Series 2017 A Bonds are privately placed, the price paid by the first buyer of the Series 2017 A Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2017 A Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2017 A Bonds.

"Qualified Investments" means and includes all investments permitted to be made by a municipality and political subdivision under the laws of the State, as enacted as of the date of enactment of this Bond Ordinance in West Virginia Code § 8-13-22a and 8-22-22a, as may be amended or modified from time to time. In the event that the laws of the State would cease to provide guidance on permissible investments, the last applicable law of the State shall control such investments.

"Record Date" means the date or dates which shall be so stated in the Series 2017 A Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

"Redemption Price" means the price at which any of the Bonds may be called for redemption and includes the principal amount of the Bonds to be redeemed, plus the interest and the premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2017 A Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

"Revenue Fund" means the Revenue Fund created by the Prior Ordinances and continued hereby.

"Series 1995 Bonds" means the Combined Utility System Revenue Bonds, Series 1995 (West Virginia SRF Program), of the Issuer, dated April 27, 1995, issued in the original aggregate principal amount of $1,601,477.

"Series 2000 A Bonds" means the Combined Utility System Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of $7,842,000.

"Series 2000 B Bonds" means the Combined Utility System Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of $2,488,000.

"Series 2001 A Bonds" means the Combined Utility System Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer, dated February 8, 2001, issued in the original aggregate principal amount of $3,812,470.

"Series 2006 A Bonds" means the Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of $6,410,191.

"Series 2007 A Bonds" means the Combined Utility System Revenue Bonds, Series 2007 A (West Virginia SRF Program), of the Issuer, dated August 14, 2007, issued in the original aggregate principal amount of $8,500,000.

"Series 2010 A Bonds" means the Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $37,950,000.

"Series 2010 B Bonds" means the Combined Utility System Revenue Bonds, Series 2010 B (West Virginia SRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $81,600.

"Series 2010 C Bonds" means the Combined Utility System Revenue Bonds, Series 2010 C (West Virginia SRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $15,380,227.

"Series 2010 D Bonds" means the Combined Utility System Revenue Bonds, Series 2010 D (West Virginia DWTRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $9,317,286.

"Series 2010 E Bonds" means the Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $100,000.

"Series 2010 F Bonds" means the Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $7,250,000.

"Series 2012 A Bonds" means the Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, dated August 24, 2012, issued in the original aggregate principal amount of $570,000.

"Series 2012 C Bonds" means the Combined Utility System Revenue Bonds, Series 2012 C (Bank Qualified), of the Issuer, dated October 5, 2012, issued in the original aggregate principal amount of $2,330,000.

"Series 2013 A Bonds" means the Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated August 22, 2013, issued in the original aggregate principal amount of $4,605,260.

"Series 2014 B Bonds" means the Combined Utility System Revenue Bonds, Series 2014 B, of the Issuer, dated July 13, 2014, issued in the original aggregate principal amount of $505,421.

"Series 2015 A Bonds" means the Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of $137,568.

"Series 2015 B Bonds" means the Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of $4,586.

"Series 2015 C Bonds" means the Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of $8,111,813.

"Series 2015 D Bonds" means the Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of $1,688,394.

"Series 2015 E Bonds" means the Combined Utility System Revenue Bonds, Series 2015 E (West Virginia SRF Program), of the Issuer, dated June 11, 2015, issued in the original aggregate principal amount of $662,300.

"Series 2016 A Bonds" means the Combined Utility System Revenue Bonds, Series 2016 A, of the Issuer, dated December 1, 2016, issued in the aggregate principal amount of $69,755,000.

"Series 2016 B-1 Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), of the Issuer, dated December 1, 2016, issued in the aggregate principal amount of $25,000,000.

"Series 2016 B-2 Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green), of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $500,000. Pursuant to the terms and conditions of the Series 2016 B-2 Bonds, the outstanding principal of the Series 2016 B-2 Bonds is forgiven by the holder thereof on the last day of the Fiscal Year in which such principal is advanced. No repayment of any principal of the Series 2016 B-2 Bonds will occur and the Series 2016 B-2 Bonds do not bear any interest. The Series 2016 B-2 Bonds are not secured by any lien on the Gross Revenues of the Combined Utility System.

"Series 2017 Bonds" means, collectively, the Series 2017 A Bonds and, if issued, the Series 2017 B Bonds.

"Series 2017 A Bonds" means the Combined Utility System Revenue Bonds, Series 2017 A of the Issuer, authorized to be issued in the aggregate principal amount of not more than $50,000,000 pursuant to this Ordinance and the Supplemental Resolution.

"Series 2017 A Bonds Construction Fund" means the Series 2017 A Bonds Construction Fund created by Section 4.01 hereof.

"Series 2017 A Bonds Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2017 A Bonds Redemption Account" means the Redemption Account created in the Series 2017 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2017 A Bonds Reserve Account" means the Series 2017 A Bonds Reserve Account created in the Series 2017 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2017 A Bonds Sinking Fund" means the Series 2017 A Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2017 B Bonds" means the Combined Utility System Revenue Bonds, Series 2017 B of the Issuer, which may be issued contemporaneously with the Series 2017 A Bonds in the aggregate principal amount of not more than $20,000,000 to pay a portion of the Costs of the Project.

"Series 2017 B Bonds Reserve Account" means the Series 2017 B Bonds Reserve Account created pursuant to the Series 2017 B Ordinance.

"Series 2017 B Bonds Sinking Fund" means the Series 2017 B Bonds Sinking Fund created pursuant to the Series 2017 B Ordinance

“Sewer System” means, collectively, the sanitary sewerage collection and treatment facilities of the Combined Utility System which specifically includes, but is not limited to, collection lines, transmission mains, pump stations, man holes, and wastewater treatment plants, as presently existing in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereinafter acquired, constructed or equipped for the Sewer System, both within, and outside of, the Issuer’s corporate boundaries.

"State" means the State of West Virginia.

“Stormwater System” means, collectively, the stormwater management and conveyance facilities of the Combined Utility System which specifically includes, but is not limited to, pipe, culverts, channels and watercourses, as presently existing in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereinafter acquired, constructed, or equipped for the Stormwater System, both within, and outside of, the Issuer’s corporate boundaries.

"Supplemental Resolution" means, collectively, any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Supplemental Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Bond Insurer provisions (if any) and other terms of the Series 2017 A Bonds and authorizing the sale of the

Series 2017 A Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2017 A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

Section 1.02. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The Issuer is a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State.

B. The Issuer presently owns and operates, through the Board, a public combined potable waterworks, sanitary sewerage, and stormwater Combined Utility System. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the potable water supply for all customers of the Combined Utility System, that there be acquired and constructed certain extensions, additions, betterments and improvements to the Potable Water System of the Combined Utility System, specifically the Project.

C. It is deemed necessary for the Issuer to issue its Combined Utility System Revenue Bonds, Series 2017 A, in the aggregate principal amount of not more than $50,000,000, to permanently finance all or a portion of the costs of design, acquisition, construction and equipping of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2017 A Bonds prior to and during acquisition, construction and/or equipping and for a period not exceeding 6 months after completion of acquisition, construction and equipping of the Project; amounts which may be deposited in the Series 2017 A Bonds Reserve Account; underwriter's discount, engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses; commitment fees; the premium for a Municipal Bond Insurance Policy; the premium for a Municipal

Bond Debt Service Reserve Insurance Policy; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2017 A 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 2017 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

D. The period of usefulness of the Combined Utility System after completion of the Project is not less than 40 years.

E. It is in the best interests of the Issuer that the Series 2017 A Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by Supplemental Resolution of the Issuer.

F. There are or will be outstanding obligations of the Issuer which will rank on a parity with the Series 2017 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Series 2017 B Bonds (if issued), Prior Bonds and any hereinafter issued Additional Parity Bonds, as provided in this Ordinance.

Prior to the issuance of the Series 2017 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Series 2017 B Bonds (if issued) and the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, the Series 2016 B-1 Bonds and the Series 2017 B Bonds (if issued) to the issuance of the Series 2017 A Bonds on a parity with the Series 1992 Bonds, Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 B-1 Bonds and Series 2017 B Bonds (if issued). The Series 2010 A Bonds, Series 2010 F Bonds, Series 2012 C Bonds, Series 2014 B Bonds and Series 2016 A Bonds do not require written consent from the holders thereof.

Other than the Series 2017 B Bonds (if issued) and the Prior Bonds, there are no other presently outstanding bonds or obligations of the Issuer which are secured by Gross Revenues or assets of the Combined Utility System. The Issuer is in compliance with all the covenants of the Series 2017 B Bonds, the Prior Bonds and the Prior Ordinances.

G. The Issuer intends to issue the Series 2017 A Bonds, and to pledge for payment thereof, the Gross Revenues of the Combined Utility System, on a parity with one another and on a parity with such pledge in favor of the Holders of the Series 2017 B Bonds (if issued), the Prior Bonds and any hereinafter issued Additional Parity Bonds.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the Combined Utility System will be sufficient to provide for the repair, maintenance and operation of the Combined Utility System, to pay the principal of and interest on the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and the Prior Bonds as and when it becomes due and

reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2017 A Bonds, and secure the Series 2017 A Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the Combined Utility System, the monies in the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, unexpended proceeds of the Series 2017 A Bonds and as further set forth herein.

J. The Series 2017 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS" attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K. All things necessary to make the Series 2017 A Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2017 A Bonds, will be timely done and duly performed.

L. The enactment of this Ordinance, the execution and issuance of the Series 2017 A Bonds and the amendment, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. Prior to construction, the Issuer will have complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the Combined Utility System and issuance of the Series 2017 A Bonds including but not limited to Chapter 24, Article 2, Paragraph 11 (l).

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2017 A Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Series 2017 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2017 A Bond and any other Series 2017 A Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01 Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not more than $52,000,000, of which up to $50,000,000 will be obtained from the proceeds of the Series 2017 A Bonds, up to $20,000,000 may be obtained from the proceeds of the Series 2017 B Bonds (if issued) and up to $2,000,000 may be obtained from funds of the Combined Utility System available for such purpose.

ARTICLE III
THE SERIES 2017 A BONDS

Section 3.01 Form and Payment of Bonds. No Series 2017 A Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2017 A Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2017 A Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2017 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2017 A Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2017 A Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2017 A Bonds shall be in default, Bonds issued in exchange for Series 2017 A Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2017 A Bonds surrendered.

The principal of, and the interest and premium, if any, on, the Series 2017 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2017 A Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2017 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2017 A Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Series 2017 A Bond in the principal amount of said Series 2017 A Bond then Outstanding.

Section 3.02. Execution of the Series 2017 A Bonds. The Series 2017 A Bonds shall be executed in the name of the Issuer by the Mayor, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2017 A Bonds shall cease to be such officer of the Issuer before the Series 2017 A Bonds so signed and sealed have been actually sold and delivered, such Series 2017 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2017 A Bonds had not ceased to hold such office. Any Series 2017 A Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Series 2017 A Bonds shall hold the proper office in the City, although at the date of such Series 2017 A Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2017 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2017 A Bond, substantially in the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS" attached hereto and incorporated herein by reference with respect to the Series 2017 A Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2017 A Bond shall be conclusive evidence that such Series 2017 A Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any

Series 2017 A Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2017 A Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2017 A Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2017 A Bonds, in accepting any of said Series 2017 A Bonds, shall be conclusively deemed to have agreed that such Series 2017 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2017 A Bonds shall further be conclusively deemed to have agreed that said Series 2017 A Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2017 A Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2017 A Bonds. The Series 2017 A Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2017 A Bond, there shall be issued at the option of the Holder of the Series 2017 A Bonds or the transferee another Series 2017 A Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Series 2017 A Bond and of the same series, interest rate and maturity of said transferred Series 2017 A Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2017 A Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Series 2017 A Bonds, of the same maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2017 A Bond is exercised, Series 2017 A Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2017 A Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2017 A Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2017 A Bonds, the Registrar may impose a service charge. For every such transfer or exchange of Series 2017 A Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2017 A Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2017 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Series 2017 A Bond of like series, maturity and principal amount as the Series 2017 A Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Series 2017 A Bond, or in lieu of and substitution for the Series 2017 A Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the

Registrar proof of his ownership thereof and that said Series 2017 A Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2017 A Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Series 2017 A Bond shall have matured or be about to mature, instead of issuing a substitute Series 2017 A Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Series 2017 A Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Series 2017 A Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2017 A Bonds be at any time found by any one, and such duplicate Series 2017 A Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued as part of the Series 2017 A Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2017 A Bonds Redemption Account in accordance with Section 4.03 shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2017 A Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

2. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

3. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2017 A Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued

interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2017 A Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2017 A Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2017 A Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer and the registered owner of the Series 2017 A Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2017 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all Outstanding Series 2017 A Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2017 A Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Series 2017 A Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Series 2017 A Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar, and

(6) Such other information, if any, as shall be required for DTC-Eligible Bonds.

If funds sufficient to redeem all Series 2017 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is conditioned on, and subject to, the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited,

the Registrar shall notify all holders of Series 2017 A Bonds called for redemption of such fact and no holder of any Series 2017 A Bonds shall have any claim of any type, of law or inequity, against the Issue.

Official notice of redemption having been given as aforesaid, the Series 2017 A Bonds, or portions of the Series 2017 A Bonds so to be redeemed, shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2017 A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such Bond. All Series 2017 A Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2017 A Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Series 2017 A Bond is registered as the owner of such Series 2017 A Bond for the purpose of receiving payment of the principal of, and interest on, such Series 2017 A Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Series 2017 A Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 2017 A Bonds. For the purposes of paying all or a portion of the costs of the Project, capitalizing interest on the Series 2017 A Bonds, paying the premium for a Municipal Bond Insurance Policy, funding the Series 2017 A Bonds Reserve Account with proceeds of the Series 2017 A Bonds or paying the premium for a Municipal Bond Debt Service Reserve Insurance Policy, in an amount equal to the Series 2017 A Bonds Debt Service Reserve Requirement and paying costs in connection with the issuance of the Series 2017 A Bonds, or any or all such purposes, there shall be issued the Series 2017 A Bonds of the Issuer, in an aggregate principal amount of not more than $50,000,000. Said Series 2017 A Bonds shall be designated "Combined Utility System Revenue Bonds, Series 2017 A" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in the Supplemental Resolution, and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2017 A Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2017 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2017 A Bonds shall be dated; shall be in such aggregate principal amount (not to

exceed $50,000,000); shall bear interest at such rate or rates, (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 40 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2017 A Bonds. A. The Series 2017 A Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2017 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2017 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2017 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2017 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2017 A Bond or any other evidence of ownership of the Series 2017 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2017 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2017 A Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2017 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2017 A Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of, or interest on, the Series 2017 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2017 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2017 A Bonds so redeemed, but DTC may retain such Series 2017 A Bonds and make an appropriate notation on the Series 2017 A Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2017 A Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2017 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2017 A Bonds, selecting the Series 2017 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2017 A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2017 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2017 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant

of any amount in respect of the principal or Redemption Price of or interest on the Series 2017 A Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2017 A Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2017 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2017 A Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2017 A Bonds. In either of such events (unless in the case described in clause (iii) above, the Issuer appoints a successor securities depository), the Series 2017 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2017 A Bonds.

Section 3.12. Delivery of Series 2017 A Bonds. A. The Issuer shall execute and deliver the Series 2017 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2017 A Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2017 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2017 A Bonds to DTC for the benefit of the Original Purchaser;

(3) Copies certified by the City Clerk of this Ordinance and the Supplemental Resolution;

(4) The unqualified approving opinion upon the Series 2017 A Bonds by Bond Counsel; and

(5) Such other opinions, certificates and documents as shall be reasonably requested by the Original Purchaser.

Section 3.13. Form of Series 2017 A Bonds. The definitive Series 2017 A Bonds shall be in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2017 A BONDS" attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2017 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2017 A Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2017 A Bonds. Upon the issuance and delivery of the Series 2017 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2017 A Bonds from the date thereof to the date of delivery thereof, if any, shall be deposited in the Series 2017 A Bonds Sinking Fund and applied to payment of interest on the Series 2017 A Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2017 A Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer.

3. An amount of the proceeds of the Series 2017 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2017 A Bonds Reserve Account; provided, that to the extent the Series 2017 A Bonds Reserve Requirement is satisfied in whole or in part from a Municipal Bond Debt Serve Reserve Insurance Policy, proceeds of the Series 2017 A Bonds shall be (i) paid to the Bond Insurer, via wire transfer, in an amount equal to the premium for the Municipal Bond Debt Service Reserve Insurance Policy and (ii) deposited in the Series 2017 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2017 A Bonds Reserve Requirement.

4. The amount of Series 2017 A Bond proceeds which, together with other monies or securities deposited therein, shall be equal to the Costs of Issuance of the Series 2017 A Bonds shall be deposited with the Depository Bank in the Series 2017 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2017 A Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2017 A Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2017 A Bonds Construction Fund established in Section 4.01 hereof and applied to Costs of the Project. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2017 A Bonds from which such proceeds are derived.

5. The balance of Series 2017 A Bonds proceeds, if any, shall be deposited in the Series 2017 A Bonds Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Series 2017 A Bonds Construction Fund. Disbursements from the Series 2017 A Bonds Construction Fund, except for payment of Costs of Issuance of the Series 2017 A Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Issuer, shall be made only for design, acquisition, construction and equipping of the Project, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2017 A Bonds Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the direction of the Board.

ARTICLE IV
COMBINED UTILITY SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other (except as set forth in this Section 4.01), and used solely for the purposes provided herein:

(1) Revenue Fund (established by the Prior Ordinances);

(2) Depreciation Fund (established by the Prior Ordinances);

(3) Operation and Maintenance Fund (established by the Prior Ordinances);

(4) Series 2017 A Bonds Construction Fund; and

(5) Series 2017 A Bonds Cost of Issuance Fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. The following special funds or accounts are hereby created (or continued if established by Prior Ordinances) with and shall be held by the Bond Commission, separate and apart from all other funds or accounts of the Bond Commission or the Issuer and from each other:

(1) Series 1992 Bonds Sinking Fund (established by Prior Ordinances);

(2) Series 1992 Bonds Reserve Account established by Prior Ordinances);

(3) Series 1995 Bonds Sinking Fund (established by Prior Ordinances);

(4) Series 1995 Bonds Reserve Account established by Prior Ordinances);

(5) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);

(6) Series 2000 A Bonds Reserve Account established by Prior Ordinances);

(7) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances);

(8) Series 2000 B Bonds Reserve Account established by Prior Ordinances);

(9) Series 2001 A Bonds Sinking Fund (established by Prior Ordinances);

(10) Series 2001 A Bonds Reserve Account established by Prior Ordinances);

(11) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);

(12) Series 2006 A Bonds Reserve Account established by Prior Ordinances);

(13) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);

(14) Series 2007 A Bonds Reserve Account established by Prior Ordinances);

(15) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);

(16) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);

(17) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);

(18) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);

(19) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);

(20) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);

(21) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);

(22) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);

(23) Series 2010 F Bonds Sinking Fund (established by Prior Ordinances);

(24) Series 2010 F Bonds Reserve Account (established by Prior Ordinances);

(25) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);

(26) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);

(27) Series 2012 C Bonds Sinking Fund (established by Prior Ordinances);

(28) Series 2012 C Bonds Reserve Account (established by Prior Ordinances);

(29) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);

(30) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);

(31) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances);

(32) Series 2014 B Bonds Reserve Account (established by Prior Ordinances);

(33) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances);

(34) Series 2015 A Bonds Reserve Account (established by Prior Ordinances);

(35) Series 2015 B Bonds Sinking Fund (established by Prior Ordinances);

(36) Series 2015 B Bonds Reserve Account (established by Prior Ordinances);

(37) Series 2015 C Bonds Sinking Fund (established by Prior Ordinances);

(38) Series 2015 C Bonds Reserve Account (established by Prior Ordinances);

(39) Series 2015 D Bonds Sinking Fund (established by Prior Ordinances);

(40) Series 2015 D Bonds Reserve Account (established by Prior Ordinances);

(41) Series 2015 E Bonds Sinking Fund (established by Prior Ordinances);

(42) Series 2015 E Bonds Reserve Account (established by Prior Ordinances);

(43) Series 2016 A Bonds Sinking Fund (established by Prior Ordinances);

(44) Series 2016 A Bonds Reserve Account (established by Prior Ordinances);

(45) Series 2016 B-1 Bonds Sinking Fund (established by Prior Ordinances);

(46) Series 2016 B-1 Bonds Reserve Account (established Prior Ordinances);

(47) Series 2017 A Bonds Sinking Fund;

(48) Series 2017 A Bonds Reserve Account;

(49) Series 2017 B Bonds Sinking Fund (established by the Series 2017 B Ordinance and provided the Series 2017 B Bonds are issued); and

(50) Series 2017 B Bonds Reserve Account (established by the Series 2017 B Ordinance and provided the Series 2017 B Bonds are issued).

Section 4.03. Combined Utility System Revenues and Application Thereof. So long as any of the Series 2017 A Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the Combined Utility System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be held by the Board and kept separate and distinct from all other funds of the Issuer, the Board and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to for payment of interest on the Series 1995 Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2016 A Bonds and Series 2016 B-1 Bonds; (ii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2017 A Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2017 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2017 A Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2017 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2017 A Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2017 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund; and (iii) if the Series 2017 B Bonds are issued, the amount required by the Series 2017 B Ordinance to pay the interest, if any, on the Series 2017 B Bonds.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Sinking Funds for the Prior Bonds for the payment of principal of the Prior Bonds; (ii) for deposit in the Series 2017 A Bonds Sinking Fund (and in the Series 2017 A Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2017 A Bonds, a sum equal to 1/12th of the amount

(or 1/6th of the amount if the Series 2017 A Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2017 A Bonds on the next ensuing principal payment or mandatory Redemption Date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2017 A Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2017 A Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2017 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph; and (iii) if the Series 2017 B Bonds are issued, the amount required by the Series 2017 B Ordinance to repay the principal of the Series 2017 B Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Reserve Accounts for the Prior Bonds; (ii) commencing 13 months prior to the first date of payment of principal of the Series 2017 A Bonds or upon completion of construction of the Project, whichever is earlier, if not fully funded upon issuance of the Series 2017 A Bonds, for deposit in the Series 2017 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2017 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2017 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2017 A Bonds Reserve Requirement; provided further, that if the amounts in the Series 2017 A Bonds Reserve Account, as a result of a decrease in value of the Series 2017 A Bonds Reserve Account below the Series 2017 A Bonds Reserve Account Requirement or any withdrawal from the Series 2017 A Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2017 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2017 A Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2017 A Bonds Reserve Account is less than the Series 2017 A Bonds Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2017 A Bonds Reserve Account for deposit into the Series 2017 A Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2017 A Bonds Reserve Account to an amount equal to the Series 2017 A Bond Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2017 A Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2017 A Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2017 A Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2017 A Bond Reserve Account Requirement; and (iii) if the Series 2017 B Bonds are issued, the amount required by the Series 2017 B Ordinance to be deposited in the Series 2017 B Bonds Reserve Account.

Amounts deposited in, or pledged to, the Series 2017 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2017 A Bonds when due, when amounts in the Series 2017 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

(4) The Issuer shall next, each month, transfer from the Revenue Fund an amount sufficient to pay current Operating Expenses of the Combined Utility System.

(5) The Issuer shall next, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2.5% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Ordinances and the Series 2017 B Ordinance so long as the Prior Bonds and the Series 2017 B Bonds, respectively, are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, or improvements or extensions to the Combined Utility System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such Reserve Account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) Whenever all of the required and provided for transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by the Act, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the Combined Utility System.

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2017 A Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2017 A Bonds, if any, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. The monies on deposit in the Revenue Fund and the Renewal and Replacement Fund in excess of the sum insured by the FDIC shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of municipal funds under the laws of the State.

D. Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and any hereinafter issued Additional Parity Bonds all in accordance with the respective principal amounts then Outstanding.

ARTICLE V
INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer, through the Board, shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall, though the Board, sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer, through the Board, may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section (unless otherwise required by the Bond Insurer and as set forth in the Supplemental Resolution):

(A) Qualified Investments acquired for the Series 2017 A Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer, through the Board, shall, or shall cause the Bond Commission to, annually transfer from the Series 2017 A Bonds Reserve Account to the Series 2017 A Bonds Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2017 A Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2017 A Bonds Reserve Account an amount at least equal to the Series 2017 A Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2017 A Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If no longer funded with a Municipal Bond Debt Service Reserve Insurance Policy equal to the Series 2017 A Bonds Reserve Requirement and the amounts on deposit in the Series 2017 A Bonds Reserve Account shall, at any time, be less than the applicable Series 2017 A Bonds Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the respective sinking funds for the Prior Bonds and the Series 2017 A Bonds Sinking Fund and otherwise in accordance with Section 4.03(3).

(E) All amounts representing accrued and capitalized interest, if any, shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2017 A Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(F) Notwithstanding the foregoing, all monies deposited in the Series 2017 A Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the Issuer hereby instructs the Mayor to take all actions necessary for the Issuer to comply with the continuing disclosure agreement.

Section 5.03. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2017 A Bonds in such manner and to such extent as may be necessary, so that such Series 2017 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Series 2017 A Bonds) so that the interest on the Series 2017 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.04. Tax Certificate, Rebates, and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2017 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2017 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the Combined Utility System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefore. The Issuer at its expense may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.04. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.04 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2017 A Bonds from gross income for federal income tax purposes.

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2017 A Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2017 A Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2017 A Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. The Series 2017 A Bonds not to be Indebtedness of the Issuer. The Series 2017 A Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the Combined Utility System, the monies in the Series 2017 A Bonds Sinking Fund and all accounts therein, the unexpended proceeds of the Series 2017 A Bonds or monies in the Series 2017 A Bonds Construction Fund, if any, all as herein provided. No Holder or Holders of any Series 2017 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2017 A Bonds or the interest thereon.

Section 6.03. Series 2017 A Bonds Secured by Pledge of Gross Revenues and Monies in Series 2017 A Bonds Sinking Fund. The payment of the debt service of all of the Series 2017 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the Combined Utility System on a parity with one another and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds, the Series 2017 B Bonds (if issued) and hereinafter issued Additional Parity Bonds, and with respect to the Series 2017 A Bonds, all monies and securities in the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, to the extent necessary to make the payments required under Section 4.03. The Gross Revenues derived from the Combined Utility System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, the Series 2017 A Bonds herein authorized, the Series 2017 B Bonds (if issued) and any hereinafter issued Additional Parity Bonds, and to make the payments into the Series 2017 A Bonds Sinking Fund, including the Series 2017 A Bonds Reserve Account therein, are pledged *pari passu* by the Issuer.

Section 6.04. Rates. Equitable rates or charges for the use of and service rendered by the Combined Utility System have been established all in the manner and form required by law. Copies of such rates and charges so established may be obtained from the Board by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the Combined Utility System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the Combined Utility System (i) to provide for all Operating Expenses of the Combined Utility System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2017 A Bonds and all other obligations secured by a lien on or payable from such Gross Revenues on a parity with the Series 2017 A Bonds, including the Prior Bonds, the Series 2017 B Bonds (if issued) and any hereinafter issued Additional Parity Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the Combined Utility System within 120 days following a determination of an Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

The Issuer expressly reserves the right to reduce the rates for the Combined Utility System, whether approved or in effect as of the date of issuance of the Series 2017 A Bonds, in the event that, based on a certificate of an Independent Certified Public Accountant, after any such decrease in rates, the Issuer will meet the requirements of this Section 6.04 and is not in default under any other provision of any ordinance authorizing any bonds or other indebtedness secured by the Gross Revenues of the Combined Utility System.

Section 6.05. Completion of Project; Operation and Maintenance of the Combined Utility System. The Issuer will complete the Project as promptly as possible. The Issuer will maintain the Combined Utility System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of said Combined Utility System in the manner provided in this Ordinance.

The Issuer either has, or will, obtain all permits required by state and federal laws for the acquisition, construction and equipping of the Project.

Section 6.06. Sale of the Combined Utility System. So long as the Prior Bonds and the Series 2017 B Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the Combined Utility System, except as provided by the Prior Ordinances and the Series 2017 B Ordinance, respectively. Additionally, so long as the Series 2017 A Bonds are Outstanding, the Combined Utility System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the Combined Utility System shall be immediately remitted to the Bond Commission for deposit in the Series 2017 A Bonds Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Revenues of the Combined Utility System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the Combined Utility System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $1,000,000, the Board shall, in writing, determine that such property comprising a part of the Combined Utility System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be used for any lawful purpose of the Combined Utility System. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $1,000,000 but not in excess of $5,000,000, the Board shall first obtain the written approval of the Consulting Engineers that such property comprising a part of the Combined Utility System is no longer necessary, useful or profitable in the operation thereof, and the Board may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any

such sale, lease or other disposition of such property, in excess of $1,000,000 and not in excess of $5,000,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the Combined Utility System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $5,000,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of (i) any applicable Bond Insurer, or (ii) if the Series 2017 A Bonds are not insured, the Holders, or their duly authorized representatives, of 60% in an amount of Series 2017 A Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer or the then Holders of the Series 2017 A Bonds for the disposition of the proceeds from the sale, lease or other disposition of such properties of the Combined Utility System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, payable from the Gross Revenues of the Combined Utility System which rank prior to, or equally, as to lien on and source of and security for payment from the Gross Revenues with the Series 2017 A Bonds, the Prior Bonds and the Series 2017 B Bonds (if issued); and all obligations hereafter issued by the Issuer payable from the Gross Revenues of the Combined Utility System, except such Additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such Gross Revenues and in all other respects to the Series 2017 A Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2017 A Bonds, upon any of the income and revenues of the Combined Utility System pledged for payment of the principal of, and interest on the Series 2017 A Bonds in this Ordinance or upon the Combined Utility System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds and the Series 2017 B Bonds are outstanding the limitations on the issuance of parity obligations set forth in the Prior Ordinances and the Series 2017 B Ordinance, respectively, authorizing such bonds shall be applicable. In addition, no Additional Parity Bonds, as in this section defined, payable out of the Gross Revenues of the Combined Utility System shall be issued after the issuance of the Series 2017 A Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition, construction and/or equipping of additions, betterments and/or improvements for the Combined Utility System, refunding all or a portion of one or more series of the Series 2017 A Bonds, the Prior Bonds and/or the Series 2017 B Bonds (if issued), refunding all or a portion of any series of Additional Parity Bonds hereinafter issued, paying claims which may exist against the revenues or facilities of the Combined Utility System, or all of such purposes.

No such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Certified Public Accountant reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the Combined Utility System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the date of issuance

of such Additional Parity Bonds, shall be not less than 115% of the Maximum Annual Debt Service on the following:

(1) The Series 2017 A Bonds then Outstanding;

(2) The Prior Bonds and Series 2017 B Bonds (if issued) then Outstanding;

(3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

(4) The Additional Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Additional Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such Additional Parity Bonds.

The Net Revenues actually derived from the Combined Utility System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received in the opinion of the Independent Certified Public Accountant, as stated in a certificate, on account of increased rates, rentals, fees and charges for the Combined Utility System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Additional Parity Bonds.

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean evidence of indebtedness, specifically including, but not limited to, bonds and notes issued under the provisions and within the limitations of the Act and this section, payable from the Gross Revenues of the Combined Utility System on a parity with the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and the Prior Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2017 A Bonds, the Series 2017 B Bonds (if issued) and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the Combined Utility System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the Combined Utility System of which is subject to the prior and superior lien of the Series 2017 A Bonds, the Series 2017 B Bonds (if issued), the Prior Bonds and any theretofore issued Additional Parity Bonds on such Gross Revenues. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the Combined Utility System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Revenues with the Series 2017 A Bonds except in the manner and under the conditions provided in this section.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on

account of the Series 2017 A Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in this Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2017 A Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense of the Combined Utility System, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the Combined Utility System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the Combined Utility System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Board and the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by public utilities of equivalent size with respect to works and properties similar to the Combined Utility System to protect the Issuer and the Board from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the ownership, management, operation and maintenance of the Combined Utility System, and insurance with the same limits to protect the Issuer and the Board from claims arising out of operation or ownership of motor vehicles of or for the Combined Utility System; provided, that the Board, with the review of an independent insurance consultant and the concurrence of the Issuer, may elect to self-insure.

C. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE COMBINED UTILITY SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such bonds will be filed with the Clerk of the County Commission of Monongalia County prior to commencement of acquisition, construction and/or equipping of any additions, extensions or improvements for the Combined Utility System in compliance with West Virginia Code, Section 38-2-39.

D. FLOOD INSURANCE, if the facilities of the Combined Utility System are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F. FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Board having custody of the revenues or of any other funds of the Combined Utility System, in an amount at least equal to the total funds in the custody of any such person at any one time.

The Issuer and/or the Board shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract.

The Issuer and/or the Board shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project.

If the Issuer or the Board determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer or the Board for the Combined Utility System, taking into consideration the costs and practices of other municipal utility systems of similar size and to the extent that such information is available. The Issuer and/or the Board may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer or the Board determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

Section 6.10. Services Rendered to the Board or Issuer. The Board will not render or cause to be rendered any free services of any nature by its Combined Utility System; and, in the event the Board, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself of any or all of the facilities or services provided by the Combined Utility System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Board, the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Board or the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the Combined Utility System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the Combined Utility System.

Section 6.11. Enforcement of Collections. The Issuer shall, through the Board, diligently enforce and collect all fees, rentals or other charges for the services and facilities of the Combined Utility System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the Combined Utility System.

Section 6.13. Books and Records. The Board will keep books and records of the Combined Utility System, which shall be separate and apart from all other books, records and accounts of the Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the Combined Utility System. Any Holder of a Series 2017 A Bond shall have the right at all reasonable times to inspect the Combined Utility System, and all parts thereof, and all records, accounts and data of the Board relating thereto.

The accounting system for the Combined Utility System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Board. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Board. The Board shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Board shall be reported to such agent of the Board as it shall direct.

The Issuer or the Board shall, at least once a year, cause the books, records and accounts of the Combined Utility System to be completely audited by an Independent Certified Public Accountant.

Section 6.14. Operating Budget. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the Combined Utility System during the succeeding Fiscal Year.

Section 6.15. Mandatory Connections. The mandatory use of the sanitary sewerage portion of the Combined Utility System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer, and in order to assure the rendering harmless of sewage and waterborne waste matter produced or arising within the territory served by the sanitary sewerage portion of the Combined Utility System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the sanitary sewerage portion of the Combined Utility System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sanitary sewerage portion of the Combined Utility System.

Any such house, dwelling or building from which emanates sewage or waterborne waste matter and which is not so connected to the sanitary sewerage portion of the Combined Utility System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the residents of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2017 A Bonds, a statutory mortgage lien upon the Combined Utility System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2017 A Bonds and shall be on a parity with all series of the Series 2017 A Bonds and with the statutory mortgage lien in favor of the Holders of the Prior Bonds and the Series 2017 B Bonds (if issued).

Section 6.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2017 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2017 A Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series

2017 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2017 A Bonds during the terms thereof is, under the terms of such Series 2017 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2017 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Combined Utility System, or if the Series 2017 A Bonds are for the purpose of financing more than one project, a portion of the Combined Utility System, and shall not exceed the proceeds used for the governmental use of that portion of the Combined Utility System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2017 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2017 A Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2017 A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2017 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. Without limiting the generality of the foregoing, the Issuer agrees to comply with the provisions of the Tax Certificate, which are hereby incorporated herein. This covenant shall survive payment in full or defeasance of the Series 2017 A Bonds.

Section 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer may obtain a Municipal Bond Insurance Policy for all, or certain maturities, of the Series 2017 A Bonds. In the event such Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2017 A Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2017 A Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.19. Covenants Regarding the Municipal Bond Debt Service Reserve Insurance Policy. The Issuer intends to obtain a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2017 A Bonds Debt Service Reserve Account in an amount equal to the Series 2017 A Bonds Reserve Requirement. In the event such Municipal Bond Debt Service Reserve Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2017 A Bonds, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.20. Continuing Disclosure Agreement. The Issuer shall deliver a Continuing Disclosure Agreement, Dissemination Agent Agreement or Continuing Disclosure Certificate in form acceptable to the Original Purchaser, the form of which shall be approved by the Supplemental Resolution, sufficient to ensure compliance with Rule 15c2-12, as it may be amended from time to time, and the Mayor is authorized and directed to execute and deliver such Continuing Disclosure Agreement on behalf of the Issuer, with such changes as the Mayor shall approve, such approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by the Mayor. The Mayor and Clerk are further authorized to take all actions necessary for the Issuer to comply with the Continuing Disclosure Agreement.

Section 6.21 Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2017 A Bonds shall be and the same is hereby approved. The Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Mayor is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2017 A Bonds and as the Mayor may approve (the "Official Statement"). The execution of the Official Statement by the Mayor shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.22. Bond Purchase Agreement. The Series 2017 A Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2017 A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2017 A Bond; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or Supplemental Resolution or in the Series 2017 A Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Bond Insurer; or

(C) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(D) If the Series 2017 B Bonds are issued, default occurs with respect to the Series 2017 B Bonds or the Series 2017 B Ordinance; or

(E) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder (with the prior written consent of the applicable Bond Insurer) or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Series 2017 A Bonds, as applicable;

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute, all pro rata, with respect to the Prior Bonds, the Series 2017 B Bonds (if issued) and the Series 2017 A Bonds, in accordance with the respective principal amounts then Outstanding.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall be made without the prior written consent of the applicable Bond Insurer or shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the Combined Utility System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Series 2017 A Bonds and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the Combined Utility System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of said Combined Utility System and shall hold, operate, maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Series 2017 A Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and

accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Gross Revenues of the Combined Utility System shall have been paid and made good, and all defaults under the provisions of this Ordinance and any Supplemental Resolution shall have been cured and made good, and all monies due hereunder or under any Supplemental Resolution have been paid in full, possession of the Combined Utility System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the Combined Utility System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Holders of the Series 2017 A Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the Combined Utility System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the Combined Utility System, for the sole purpose of the protection of both the Issuer and the Holders of the Series 2017 A Bonds, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said Combined Utility System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the Combined Utility System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Holders of the Series 2017 A Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee representing the Holders of the Series 2017 A Bonds shall consider the effect on the Holders of the Series 2017 A Bonds as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Holders of the Series 2017 A Bonds. In case any Holder of the Series 2017 A Bonds shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Holder of the Series 2017 A Bonds shall be restored to their former positions and rights hereunder, and all rights and remedies of such Holder of the Series 2017 A Bonds shall continue as if no such proceedings had been taken.

ARTICLE VIII
REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2017 A Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2017 A Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their

accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2017 A Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2017 A Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2017 A Bonds, the first exchange of Series 2017 A Bonds and the exchange of Series 2017 A Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2017 A Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2017 A Bonds, or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2017 A Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than sixty (60) days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within twenty (20) days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately; provided, that in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer or by the Holders of a majority in principal amount of the Series 2017 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the applicable Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided, that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a

receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2017 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within twenty (20) days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within forty-five (45) days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted, or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Series 2017 A Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The West Virginia Municipal Bond Commission shall initially serve as Paying Agent as required by the Act. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2017 A Bonds shall be and remain DTC-Eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from monies available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be

sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within thirty (30) days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All monies received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX
DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2017 A Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Gross Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2017 A Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2017 A Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2017 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2017 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2017 A Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Series 2017 A Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2017 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the

principal of and redemption premium, if any, and interest to become due on said Series 2017 A Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X
MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2017 A Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2017 A Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Holder of the Series 2017 A Bonds or other person, be amended, modified or supplemented in any manner which, in the written opinion of Bond Counsel, does not materially adversely affect the interests of the Holder of the Series 2017 A Bonds or any Bond Insurer; provided, that in the event any of the Series 2017 A Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Series 2017 A Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made (i) without the written consent of the Holders of 60% in aggregate principal amount of the Series 2017 A Bonds then Outstanding and affected thereby; or (ii) the Bond Insurer. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2017 A Bond without the express written consent of the Holder of such Series 2017 A Bond, nor reduce the percentage of Series 2017 A Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Series 2017 A Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Series 2017 A Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Series 2017 A Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Series 2017 A Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2017 A Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

ISSUER

The City of Morgantown
389 Spruce Street
Morgantown, West Virginia 26505
Attention: City Manager

With copy to:

Morgantown Utility Board
278 Greenbag Road
Morgantown, WV 26501
Attention: General Manager

REGISTRAR
[Name(s) and address(s) to be set forth in Supplemental Resolution]

PAYING AGENT
West Virginia Municipal Bond Commission
900 Pennsylvania Avenue
Suite 1117
Charleston, West Virginia 25302
Attn: Executive Director

DEPOSITORY BANK
[Name(s) and address(s) to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER
[Name(s) and address(s) to be set forth in Supplemental Resolution]

BOND INSURER
[Name(s) and address(es) to be set forth in the Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Council, the Board or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any of the Series 2017 A Bonds, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2017 A Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2017 A Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2017 A Bonds, the Bond Insurer and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headlines. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Dominion Post*, a newspaper published and having a general circulation in The City of Morgantown, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2017 A Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 3rd day of January, 2017, at 7:00 p.m., in the Council Chambers of the City Hall, Morgantown and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

[*Remainder of Page Intentionally Left Blank*]

Section 10.14. Effective Date. This Ordinance shall become effective following public hearing hereon in accordance with the Act.

First Reading:	December 6, 2016
Second Reading:	December 20, 2016
Effective following Public Hearing held on:	January 3, 2017

THE CITY OF MORGANTOWN

_____
Mayor

[SEAL]

ATTEST:

_____
City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of THE CITY OF MORGANTOWN at a regular meeting of the City Council held on January 3, 2017, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in The City of Morgantown, the first publication having been not less than 10 days prior to such public hearing.

Dated this ____ day of _____, 2017.

[SEAL]

_____
City Clerk

EXHIBIT A – FORM OF SERIES 2017 A BONDS

[DTC Legend]

No. AR-_____

$_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
_____%	_____	_____	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2017 A Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2017 A Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2017 A Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2017 A Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a

default in the payment of Series 2017 A Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2017 A Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2017 A Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2017 A" (the "Series 2017 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2017, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the Costs of design, acquisition, construction and equipping of the Project; (ii) [to pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2017 A Bonds;] (iii) [to fund a reserve account for the Series 2017 A Bonds/to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2017 A Bonds] in an amount equal to the Series 2017 A Bonds Reserve Requirement; and (iv) to pay certain costs of issuance of the Series 2017 A Bonds and related costs. The Series 2017 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on January ___, 2017, and supplemented by a supplemental resolution adopted by said City Council on _____, 2017 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2017 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2017 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

[The Series 2017 A Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Bond Insurer] .]

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE FOLLOWING COMBINED UTILITY SYSTEM REVENUE BONDS OF THE ISSUER (COLLECTIVELY, THE “PRIOR BONDS”):

(1) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 1995 (WEST VIRGINIA SRF PROGRAM), DATED APRIL 27, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,601,477 (THE “SERIES 1995 BONDS”);

(2) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 A (WEST

VIRGINIA SRF PROGRAM), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,842,000 (THE "SERIES 2000 A BONDS");

(3) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,488,000 (THE "SERIES 2000 B BONDS");

(4) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 8, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,812,470 (THE "SERIES 2001 A BONDS");

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $6,410,191 (THE "SERIES 2006 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,500,000 (THE "SERIES 2007 A BONDS");

(7) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(8) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $81,600 (THE "SERIES 2010 B BONDS");

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $9,317,286 (THE "SERIES 2010 D BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 E (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 E BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(13) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 C (BANK QUALIFIED), DATED OCTOBER 5, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,330,000 (THE "SERIES 2012 C BONDS");

(15) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(16) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $137,568 (THE "SERIES 2015 A BONDS");

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,586 (THE "SERIES 2015 B BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 C (WEST VIRGINIA SRF PROGRAM), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,111,813 (THE "SERIES 2015 C BONDS");

(20) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D (WEST VIRGINIA SRF PROGRAM), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,688,394 (THE "SERIES 2015 D BONDS");

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 E (WEST VIRGINIA SRF PROGRAM), DATED JUNE 11, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $662,300 (THE "SERIES 2015 E BONDS");

(22) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(23) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS"); AND

(24) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2017, ISSUED COTEMPORANEOUSLY HERWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2017 B BONDS")

The Series 2017 A Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on and after _____, 20____, are subject to redemption prior to maturity at the option of the Issuer on or after _____, 20_____, in whole at any time and in part on any Interest Payment Date, as directed by the Issuer, in reverse order of maturity and by lot within a maturity, at the following Redemption Prices (expressed as percentages of

the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Series 2017 A Bonds maturing on _____, 20_____ and 20_____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing _____ 1, 20

Year (1)	Principal Amount

_____

* Final Maturity

In the event of any redemption of less than all outstanding Series 2017 A Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2017 A Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2017 A Bonds are to be redeemed, the Series 2017 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2017 A Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2017 A Bond or Series 2017 A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2017 A Bonds or portions of Series 2017 A Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2017 A Bonds or portions of Series 2017 A Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2017 A Bond.

The Series 2017 A Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined

Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2017 A Bonds Sinking Fund, and the Series 2017 A Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2017 A Bonds, including monies in the Series 2017 A Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2017 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2017 A Bonds Sinking Fund and the Series 2017 A Bonds Reserve Account and the unexpended proceeds of the Series 2017 A Bonds, including monies in the Series 2017 A Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2017 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2017 A Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2017 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2017 A Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2017 A Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, [pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of and interest on the Series 2017 A Bonds], [fund a reserve account for the Series 2017 A Bonds/pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy] in amount equal to the Series 2017 A Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2017 A Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2017 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2017 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2017 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2017 A Bonds of which this Series 2017 A Bond is one.

This Series 2017 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2017 A Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2017 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2017 A Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2017 A Bond to the same extent as if written fully herein.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2017 A Bond to be dated as of the Series 2017 A Bond Date specified above.

[SEAL]

[Manual or facsimile signature]
Mayor

ATTEST:

[Manual or facsimile signature]
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2017 A Bond is one of the fully registered Series 2017 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2017 A Bonds.

Dated: _____, 2017.

_____,
As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

The City of Morgantown

Combined Utility System Revenue Bonds, Series 2018 B

SUPPLEMENTAL PARAMETERS RESOLUTION

SUPPLEMENTAL RESOLUTION RE-DESIGNATING THE PREVIOUSLY AUTHORIZED COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A (TAX EXEMPT) AS COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B; PROVIDING PARAMETERS AS TO THE PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B OF THE CITY OF MORGANTOWN; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE ORIGINAL PURCHASER; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, A REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT, A TAX COMPLIANCE POLICY, A CONTINUING DISCLOSURE POLICY, AND OTHER INSTRUMENTS RELATING TO THE BONDS; AUTHORIZING THE PURCHASE OF A MUNICIPAL BOND INSURANCE POLICY AND/OR MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND AMENDMENT AND/OR MODIFICATION OF THE ORDINANCE TO COMPLY THEREWITH; APPOINTING A REGISTRAR, PAYING AGENT AND DISSEMINATION AGENT FOR SUCH BONDS; APPROVING A CONFORMED ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, The City of Morgantown (the "Issuer") in the County of Monongalia, State of West Virginia, is a municipal corporation and political subdivision of said State, the governing body of which is its Council (the "Governing Body");

WHEREAS, the Governing Body has duly and officially enacted on January 3, 2017, an Ordinance entitled:

AN ORDINANCE AUTHORIZING THE DESIGN ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE POTABLE WATER PORTION OF THE EXISTING COMBINED UTILITY

SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Conformed Ordinance attached as Exhibit A when used herein;

WHEREAS, the above-described Ordinance provides for the issuance by the Issuer of its Combined Utility System Revenue Bonds, Series 2017 A (Tax-Exempt) in an aggregate principal amount not to exceed $50,000,000, in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act") for the purposes of financing a portion of the Costs of the Project, as defined in the Series 2018 B Ordinance (as hereinafter defined);

WHEREAS, the Bonds were not issued in 2017; therefor, Issuer desires to re-designate the Bonds approved in the above-described Ordinance as "Combined Utility System Revenue Bonds, Series 2018 B" and hereby does authorize and approve all amendments and modifications to the above-described Ordinance to reflect such re-designation, as reflected on "EXHIBIT A" attached hereto, and other amendments and modifications, and such amended and modified Ordinance is hereinafter referred to as the "Series 2018 B Ordinance";

WHEREAS, the Series 2018 B Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2018 B Bonds should be established by Supplemental Resolution or by a Certificate of Determinations, that a Registrar, Paying Agent and Dissemination Agent be designated, that a Bond Purchase Agreement, a Continuing Disclosure Agreement, a Registrar Agreement and an Official Statement be approved and that other matters pertaining to the Bonds be provided for by a Supplemental Resolution of the Governing Body or pursuant to a Certificate of Determinations executed by the Mayor, that additional covenants and provisions relating to the Series 2018 B Bonds be provided for therein, and as may be required by any Bond Insurer as a condition to insuring such Series 2018 B Bonds and/or providing a Municipal Bond Debt Service Reserve Insurance Policy for such Series 2018 B Bonds and that other matters pertaining to the Series 2018 B Bonds be provided for by a Supplemental Resolution of this Governing Body or by a Certificate of Determinations executed by the Mayor or City Manager;

WHEREAS, the Series 2018 B Bonds are proposed to be purchased by Merrill Lynch, Pierce, Fenner & Smith Incorporated (also known as "Bank of America"), and behalf of itself and Crews & Associates, Inc. (collectively, the "Original Purchaser"), pursuant to a Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof (the "Bond Purchase Agreement");

WHEREAS, the Governing Body has determined that, in order to obtain the best possible terms for the Series 2018 B Bonds, the Mayor, or the Mayor's designee or City Manager, shall be empowered and authorized to execute the Bond Purchase Agreement, within the parameters set forth herein, at such time as the Mayor shall determine most advantageous to the Issuer, or not at all, and the

Mayor shall be authorized to acquire a Municipal Bond Insurance Policy and/or Municipal Bond Debt Service Reserve Insurance Policy if either, or both, is determined by the Mayor, or the Mayor's designee, to be financially advantageous to the Issuer; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental parameters resolution (the "Series 2018 B Supplemental Parameters Resolution") be adopted, that the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate, and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Series 2018 B Bonds, hereinafter described, be approved, that the Mayor be authorized to enter into the Bond Purchase Agreement within the parameters hereby approved by the Governing Body, and that other matters relating to the Series 2018 B Bonds be herein provided for all in accordance with the Series 2018 B Ordinance;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORGANTOWN:

SECTION 1. The Conformed Ordinance attached hereto as Exhibit A is approved.

SECTION 2. The previously authorized "Combined Utility System Revenue Bonds, Series 2017 A (Tax Exempt)," are hereby re-designated as "Combined Utility System Revenue Bonds, Series 2018 B" and the Ordinance enacted January 3, 2017 authorizing the issuance of the Bonds to pay a portion of the Costs of the Project is hereby amended and modified as reflected in Exhibit A attached hereto and incorporated herein by reference. For the purposes of (i) paying a portion of the Costs of the Project, (ii) funding a debt service reserve account for the Series 2018 B Bonds through the purchase of a Municipal Bond Debt Service Reserve Insurance Policy, (iii) paying, if determined to be financially advantageous to the Issuer, the premium for a Municipal Bond Insurance Policy, and (iv) paying costs of issuance of the Series 2018 B Bonds and related costs, the Governing Body of the Issuer hereby authorizes and orders the issuance of the Series 2018 B Bonds in an aggregate principal amount not to exceed $50,000,000.

SECTION 3. Pursuant to the Series 2018 B Ordinance and the Act, this Series 2018 B Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2018 B Bonds. The Series 2018 B Bonds shall be issued in the aggregate principal amount not to exceed $50,000,000, bear interest at a rate not to exceed 7.0%, payable semiannually, shall mature no later than forty (40) years from the date of issuance, and shall be subject to such redemption provisions, all as shall subsequently be approved by the Mayor, or the Mayor's designee, pursuant to the execution and delivery by the Mayor of a Certificate of Determinations with respect to the Series 2018 B Bonds, dated the date of the Bond Purchase Agreement, the form of which is attached hereto as EXHIBIT B and approved hereby (the "Series 2018 B Certificate of Determinations"). The Series 2018 B Bonds shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2018 B Bonds shall be as determined by the Mayor at the time of the execution of the Bond Purchase Agreement and as approved by the Mayor in the Certificate of Determinations.

SECTION 4. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form to be approved pursuant to the execution and delivery by the Mayor, or the Mayor's designee, of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of

the Series 2018 B Bonds, including the payment of all necessary fees and expenses in connection therewith.

SECTION 5. Proceeds of the Bonds shall be expended solely for the purposes set forth in the Series 2018 B Ordinance.

SECTION 6. A. The Tax Certificate, to be dated the date of execution and delivery of the Bonds (the "Tax Certificate"), and executed and delivered by the Issuer, in the form to be approved by the Mayor, and the execution and delivery (in multiple counterparts) by the Mayor thereof, shall be and the same are hereby authorized, approved and directed. The execution of the Tax Certificate by the Mayor shall be conclusive evidence of any approval required by this Section.

B. The Issuer hereby approves the Tax Compliance Policy attached hereto as EXHIBIT C.

SECTION 7. A. The Dissemination Agreement, to be dated the date of execution and delivery of the Series 2018 B Bonds (the "Disclosure Agreement"), by and between the Issuer and Digital Assurance Certification, LLC, in the form to be approved by the Mayor, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The execution of the Disclosure Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

B. The Issuer hereby approves the Continuing Disclosure Policy attached hereto as EXHIBIT D.

SECTION 8. The distribution by the Original Purchaser of a Preliminary Official Statement (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form attached hereto as EXHIBIT E and submitted to this meeting is hereby ratified and approved. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor is hereby approved. The Official Statement to be substantially in the form of the Preliminary Official Statement (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor) and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section.

SECTION 9. The Registrar Agreement by and between the Issuer and the Registrar designated herein, substantially in the form to be approved by the Mayor, and the execution and delivery (in multiple counterparts) by the Mayor thereof, shall be and the same are hereby authorized, approved and directed. The execution of the Registrar Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

SECTION 10. The General Manager and Assistant General Manager of the Morgantown Utility Board ("MUB") are each, individually, hereby authorized to approve invoices and requisitions for payment of Costs of the Project, specifically including, but not limited to, requisitions of proceeds of the Series 2018 B Bonds.

SECTION 11. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel and disclosure counsel to the Issuer in connection with the issuance of the Series 2018 B Bonds.

SECTION 12. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Paying Agent for the Series 2018 B Bonds.

SECTION 13. The Issuer hereby appoints and designates Digital Assurance Certification, LLC, as dissemination agent for the Series 2018 B Bonds.

SECTION 14. The Issuer hereby appoints and designates United Bank, Charleston, West Virginia, as the Registrar for the Series 2018 B Bonds. The General Manager of MUB is hereby authorized to designate the depository bank for, and direct the investment of, the proceeds of the Series 2018 B Bonds.

SECTION 15. The Issuer may, if determined to be financially advantageous, acquire a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, all or any portion of the Series 2018 B Bonds. In the event a Municipal Bond Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to insuring the Series 2018 B Bonds. These additional covenants and provisions shall be set forth in the Series 2018 B Certificate of Determinations, shall apply to the Series 2018 B Bonds, and shall be supplemental to, and amendatory of, the Ordinance and this Series 2018 B Supplemental Parameters Resolution, and shall be controlling in the event any other provisions of the Series 2018 B Ordinance and/or this Series 2018 B Supplemental Parameters Resolution may be in conflict therewith.

SECTION 16. The Issuer may, if determined to be financially advantageous, acquire a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 B Bonds Debt Service Reserve Fund for the Series 2018 B Bonds. In the event a Municipal Bond Debt Service Reserve Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds Debt Service Reserve Fund. These additional covenants and provisions shall be set forth in the Series 2018 B Certificate of Determinations, shall apply to the Series 2018 B Bonds, and shall be supplemental to, and amendatory of, the Series 2018 B Ordinance and this Series 2018 B Supplemental Parameters Resolution, and shall be controlling in the event any other provisions of the Series 2018 B Ordinance and this Series 2018 B Supplemental Parameters Resolution may be in conflict therewith.

SECTION 17. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, required or desirable in connection with the Series 2018 B Bonds, to the end that the Series 2018 B Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Agreement.

SECTION 18. The notice addresses for the Paying Agent, Registrar and Dissemination Agent shall be as follows:

PAYING AGENT
West Virginia Municipal Bond Commission
900 Pennsylvania Avenue, Suite 1117
Charleston, West Virginia 25301
Attention: Executive Director

REGISTRAR
United Bank
500 Virginia Street, East
Charleston, West Virginia 25301
ATTN: Corporate Trust Department

DISSEMINATION AGENT
Digital Assurance Certification, LLC
390 North Orange Avenue
Suite 1750
Orlando, Florida 32801-1674

SECTION 19. The financing of a portion of the Costs of the Project with the Proceeds of the Series 2018 B Bonds and issuance of the Series 2018 B Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

SECTION 20. The Issuer hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Series 2018 B Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Series 2018 B Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The Mayor of the Issuer is authorized and directed to execute and deliver such further instruments or agreements as shall be required to provide further assurances of the Issuer's compliance with this covenant.

SECTION 21. The Mayor and City Clerk, and all other appropriate officers and employees of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Series 2018 B Bonds to be duly and properly issued by the Issuer and delivered to the Original Purchaser as herein authorized and to otherwise facilitate the transaction contemplated by this Series 2018 B Supplemental Parameters Resolution, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required.

[Remainder of Page Intentionally Blank]

SECTION 22. This Series 2018 B Supplemental Parameters Resolution shall be effective immediately following adoption hereof.

Adopted this 5th day of June, 2018.

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

[SEAL]

Attest:

_____
City Clerk

CERTIFICATION

Certified a true copy of a Series 2018 B Supplemental Parameters Resolution duly adopted by the Council of THE CITY OF MORGANTOWN on June 5 2018, which Series 2018 B Supplemental Parameters Resolution has not been repealed, rescinded, modified, amended or revoked, as of the date hereof.

By: _____
City Clerk

627490.00055

EXHIBIT A – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

CONFORMED ORDINANCE

See Tab 1

EXHIBIT B – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

FORM OF CERTIFICATE OF DETERMINATIONS

The City of Morgantown
Combined Utility System Revenue Bonds, Series 2018 B

CERTIFICATE OF DETERMINATIONS

The undersigned, _____, Mayor of The City of Morgantown (the "Issuer"), in accordance with the Series 2018 B Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on _____, 2018 (the "Series 2018 B Supplemental Parameters Resolution"), with respect to the Issuer's Combined Utility System Revenue Bonds, Series 2018 B (the "Series 2018 B Bonds"), hereby finds and determines this ____ day of _____, 2018, as follows:

1. The Series 2018 B Bonds shall be dated _____, 2018 shall bear interest on _____ 1 and _____ 1 of each year commencing _____, 2018.

2. The Series 2018 B Bonds shall be issued in the aggregate principal amount of $_____. The interest rates on the Series 2018 B Bonds do not exceed 7.0%, being the maximum interest rate authorized by the Series 2018 B Ordinance.

3. The Series 2018 B Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2018 B Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2018 B Bonds shall [not] be subject to [optional and/or mandatory] redemption [as set forth on Schedule 2 attached hereto and incorporated herein.]

6. The Series 2018 B Bonds shall be sold to Merrill Lynch, Pierce, Fenner & Smith Incorporated (also known as "Bank of America"), on behalf of itself and Crews & Associates, Inc. (collectively, the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and a net original issue discount[premium] of $_____).

7. The forms of the Bond Purchase Agreement, the Tax Certificate, the Disclosure Agreement, the Official Statement, and the Rule 15c2-12 Certificate attached hereto are hereby approved.

8. [The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by _____ ("_____") to secure the payment of principal of, and interest on, the Series 2018 B Bonds will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Insurance Policy, and accordingly accepts the Municipal Bond Insurance Commitment (the "Series 2018 B Insurance Commitment")

dated _____, 2018. The Mayor is hereby authorized to execute the Insurance Commitment and deliver the same to _____.]

9. [Pursuant to the Series 2018 B Insurance Commitment, and, as permitted by Section 1_ of the Series 2018 B Supplemental Parameters Resolution, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Insurance Policy for the Series 2018 B Bonds are attached hereto as Exhibit A and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Series 2018 B Ordinance and applicable to the Series 2018 B Bonds.]

10. [The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by _____ ("_____") to fund the Series 2018 B Bonds Reserve Account will result in a cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Debt Service Reserve Insurance Policy, and accordingly accepts the Municipal Bond Debt Service Reserve Insurance Commitment (the "Series 2018 B Reserve Commitment") dated _____, 2018. The Mayor is hereby authorized to execute the Reserve Commitment and deliver the same to _____.]

11. [Pursuant to the Series 2018 B Reserve Commitment, and, as permitted by Section 15 of the Series 2018 B Supplemental Parameters Resolution, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 B Bonds Reserve Account are attached hereto as Exhibit B and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Ordinance and applicable to the Series 2018 B Bonds.]

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2018 B Bonds are within the parameters prescribed by the Series 2018 B Supplemental Parameters Resolution, and the Series 2018 B Bonds may be issued with such terms and conditions as authorized by the Series 2018 B Supplemental Parameters Resolution.

WITNESS my signature the day and year first written above.

THE CITY OF MORGANTOWN

By: _____
Its: Mayor

627490.00055

SCHEDULE 1 – CERTIFICATE OF DETERMINATIONS

SERIES 2018 B BOND TERMS

Bond No.	Maturity Date (__ 1)	Principal Amount	Interest Rate	Price or Yield

SCHEDULE 2 – CERTIFICATE OF DETERMINATIONS

REDEMPTION PROVISIONS:

SERIES 2018 B BONDS

[to be inserted after pricing]

EXHIBIT A – CERTIFICATE OF DETERMINATIONS

PROVISIONS RELATING TO MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Commitment

[insert]

EXHIBIT B – CERTIFICATE OF DETERMINATIONS

PROVISIONS RELATING TO MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

Municipal Bond Debt Service Reserve Insurance Commitment

[insert]

EXHIBIT C – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

TAX COMPLIANCE POLICY

THE CITY OF MORGANTOWN (WEST VIRGINIA)

Purpose

Governmental issuers of tax-exempt and tax-credit bonds must comply with certain federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by The City of Morgantown, West Virginia (the "*Issuer*"), as the issuer, with these rules in connection with the issuance of the Issuer's Combined Utility System Revenue Bonds, Series 2018 B (the "*Tax-Exempt Bonds*"). It is understood and agreed by the Issuer, and the Issuer has covenanted to take all actions necessary to maintain the Tax-Exempt Bonds as tax-exempt state and local bonds.

Tax Requirements Associated with Sale and Issuance of Bonds

Review and retention of tax documents related to the sale and issuance of Bonds will be supervised by The City Manager or his designee (the "*Oversight Officer*").

- Form 8038-G (tax exempt bonds) will be reviewed and filed not later than the 15th day of the 2nd calendar month following the quarter in which the bonds were issued. Filing of appropriate version or versions of Form 8038-G will be confirmed with bond counsel.

Expenditure of Proceeds for Governmental Costs

Expenditure of bond proceeds will be reviewed by the Oversight Officer.

- Bond proceeds will be disbursed pursuant to the Bond Ordinance, and will be a written order of an Authorized Officer, stating the date, amount and purpose of the disbursement.

- Requisitions must identify the financed property in conformity with the Tax and Non-Arbitrage Certificate executed by the Issuer at closing, including any certifications as to the character and average economic life of the bond-financed property.

- Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a "declaration of intent" to reimburse the costs was adopted by The City. If proceeds are used for reimbursement, a copy of the declaration will be obtained

and included in the records for the Tax-Exempt Bonds, if not already part of the bond transcript.

- Requisitions will be in accordance with expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the Tax-Exempt Bonds.

- If the 18-month spending exception to rebate applies, expenditure of gross proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable:

  15% within 6 months
  60% within 12 months
  100% within 18 months

- If the 2-year spending exception to rebate applies, expenditure of "available construction proceeds" will be monitored against the following schedule for the arbitrage rebate exception for construction issues if applicable:

  10% within 6 months
  45% within 12 months
  75% within 18 months
  100% within 24 months

Expenditure of Proceeds

In addition to the general review of expenditures described above, expenditure of proceeds of the Tax-Exempt Bonds will be reviewed by the Oversight Officer.

- Reserve funds cannot exceed the least of 10% of bond proceeds, maximum annual debt service, or 125% of average annual debt service. The initial funding of any reserve fund will be measured against this limit.

- Only a small portion (5%) of the proceeds of Tax-Exempt Bonds can be used for operating expenses or other "working capital" costs. Requisitions for costs of the Project will accordingly be monitored to confirm that they are for capital costs of the Project.

- Investment earnings on sale proceeds of the Tax-Exempt Bonds will be tracked and will be requisitioned only for appropriate expenditures.

Use of Bond-Financed Property

Use of bond-financed property when completed and placed in service will be reviewed by the Oversight Officer.

- Average nonexempt use of bond-financed property over the life of the issue cannot exceed 10% of the proceeds.

- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property subject to the Bond Ordinance is bond-financed.

- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit, as set forth in the Tax Certificate.

- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a "remedial action" under the applicable Income Tax Regulations.

Investments and IRS Filings

Investment of bond proceeds in compliance with the arbitrage bond rules and rebate of arbitrage will be supervised by the Oversight Officer.

- Guaranteed investment contracts ("*GIC*") will be purchased only using the three-bid "safe harbor" of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.

- Other investments will be purchased only in market transactions.

- Calculations of rebate liability will be performed annually by outside consultants.

- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.

- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

Records

Management and retention of records related to tax-exempt bond issues will be supervised by the Oversight Officer.

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

- Retainable records pertaining to the Tax-Exempt Bonds include transcript of documents executed in connection with the issuance of the bonds (including authorizing resolutions, Bond Ordinance, Form 8038-G, and Tax Certificate) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.

- Retainable records pertaining to expenditures of bond proceeds include requisitions, accounting statements and final allocation of proceeds.

- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use and any reviewed documents relating to unrelated business activity.

- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

Amendment

This Tax Compliance Policy may be amended and/or modified by the Mayor as required from time to time to ensure ongoing compliance by The City with requirements related to tax-exempt bonds, such as the Tax-Exempt Bonds. Such amendments and/or modifications shall not require any action by City Council.

Overall Responsibility

Overall administration and coordination of this policy is the responsibility of the Oversight Officer, as designated by the Mayor.

THE CITY OF MORGANTOWN, WEST VIRGINIA

_____

By: Mayor
Date:

EXHIBIT D – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

CONTINUING DISCLOSURE POLICY

Continuing Disclosure Policy of The City of Morgantown (attached) previously approved by Supplemental Resolution dated November 1, 2016 and hereby continued

CONTINUING DISCLOSURE POLICY

CONTINUING DISCLOSURE POLICIES AND PROCEDURES

FOR THE CITY OF MORGANTOWN, WEST VIRGINIA

Background

Pursuant to SEC Rule 15c2-12 (the "Rule"), issuers of obligations are required under most circumstances to file financial and operating information on an annual basis with the Municipal Securities Rulemaking Board (MSRB) using the Electronic Municipal Market Access system (EMMA- http://www.emma.msrb.org). The City of Morgantown, West Virginia (the "City") has issued or may issue obligations which are covered by the Rule (the "Obligations") and must comply with any required filings in a timely manner. These Policies and Procedures are intended to assure, for all Obligations of the City, that all filings required under the Rule are made timely and completely and meet all requirements of the Rule. The City has covenanted or will covenant to comply with the Rule through the execution and delivery of continuing disclosure agreements or certificates (each, a "Continuing Disclosure Undertaking") applicable to each issue of Obligations.

With respect to the City, the Rule requires that an underwriter, prior to purchasing or selling an issue of obligations in connection with a covered offering, determine that the City has undertaken in writing, with respect to that issue of Obligations, to provide the following information to the MSRB using EMMA and to the appropriate state information depository ("SID"), if any:

- By a specified date, annual financial and operating information for the City substantially similar to the financial information and operating data presented in the official statement for such issue (an "Annual Information Filing");

- By a specified date, if available, audited annual financial statements for the City ("Audited Financial Statements") and, if not available by the date required, unaudited financial statements with Audited Financial Statements within 10 business days of their availability;

- In a timely manner, notice of the occurrence of one or more of the listed events described in the Rule (a "Rule 15c2-12 Event Notice"); and

- In a timely manner, notice of a failure by the City to make the required Annual Information Filing and/or file the Audited Financial Statements on or before the date(s) specified in the Continuing Disclosure Undertaking ("Notice of Failure").

Note: **There is no SID currently in the State of West Virginia. If the State of West Virginia should establish a SID, the City also will be required to file all required information with the SID.**

Responsible Party; Maintenance of List and Files

The Responsible Party for the City shall be the City Manager of the City and any alternate or assistant as the City Manager shall appoint. The Responsible Party shall maintain a current list for each fiscal year identifying each issue of Obligations of the City outstanding during such fiscal year setting forth the name, original principal amount, date of issuance and CUSIP numbers for each such issue and the dates by which the Annual Information Filings and the Audited Financial Statements are required to be submitted to the MSRB using EMMA, such list to be accompanied by copies of the related Continuing Disclosure Undertakings.

Annual Information Filing Requirements

The Responsible Party shall be knowledgeable and familiar with the provisions of each Continuing Disclosure Undertaking as to the type, format and content of the financial and operating information to be included in each Annual Information Filing to be made thereunder and the timing requirements for the filing thereof.

Audited Financial Statements

Audited Financial Statements of the City, or such other Audited Financial Statements as required by a specific Continuing Disclosure Undertaking, are also required to be filed no later than the submission dates established under each Continuing Disclosure Undertaking. The Responsible Party shall be knowledgeable and familiar with the specific timing requirements for the filing of such Audited Financial Statements and, if not available by the date(s) required, the provisions regarding the filing of unaudited financial statements under the terms of each Continuing Disclosure Undertaking. In any event, the Audited Financial Statements shall be filed within 10 business days of their receipt and acceptance.

Notices of Failures to File

The Responsible Party shall be knowledgeable and familiar with the specific requirements for the filing of a Notice of Failure to make Annual Information Filings and/or to file Audited Financial Statements by the date(s) required under the terms of each Continuing Disclosure Undertaking.

Preparation

Approximately 90 days before the submission date for required filings established under each Continuing Disclosure Undertaking, the Responsible Party shall initiate the process of preparing the financial and operating information required to be submitted thereunder. The Responsible Party shall assemble the information available at that time and determine the scope of additional information to be required and also contact the auditors to establish a schedule for completion and submission for the Audited Financial Statements.

On or before the submission date established under each Continuing Disclosure Undertaking, the Responsible Party (either on its own behalf or through a dissemination agent which the City has engaged for such purpose) shall file the Annual Information Filing together with the Audited

Financial Statements. If the Audited Financial Statements are not then available, unaudited financial information shall be filed with the MSRB using EMMA and the Audited Financial Statements shall be filed within 10 business days of their receipt and acceptance.

The Responsible Party shall set calendar reminders in the City's recordkeeping systems.

Listed Events

The Rule also requires filing of a Rule 15c2-12 Event Notice upon the occurrence of certain listed events described in the Continuing Disclosure Undertakings. Attached hereto is a description of the listed events current as of the date of execution of these Policies and Procedures, but the Responsible Party shall review the EMMA web site from time to time to determine whether there have been any changes to the listed events for which a Rule 15c2-12 Event Notice is required. The Responsible Party shall provide a Rule 15c2-12 Event Notice to the MSRB using EMMA within 10 business days of occurrence of any such listed event.

Familiarity with EMMA Submission Process

The Responsible Party shall register with EMMA and review the on-line process of filing with EMMA located at www.emma.msrb.org in order to submit the required information. If the City engages the services of a dissemination agent to make required filings hereunder, the Responsible Party shall not be required to register with EMMA. A tutorial is available at the MSRB website and a practice submission is available as well.

The Responsible Party also shall enroll the City in EMMA's reminder system, so long as such system is available, to ensure timely performance of their responsibilities and obligations.

Training Efforts

To ensure adequate resources to comply with the Rule, the Responsible Party shall develop a training process aimed at providing additional assistance in preparing required information. The training process shall be conducted at least annually and shall encompass a review of the City's filing requirements under its existing Continuing Disclosure Undertakings, the EMMA submission process and an understanding of the timing requirements necessary for full compliance. Such training may occur in conjunction with other issuers of governmental bonds and may be coordinated and/or sponsored by an association of which the City is a member (e.g. the West Virginia Municipal League or the West Virginia Chapter of the Government Finance Officers Association).

Coordination Effort

The Responsible Party shall coordinate the preparation and submission of the required information with any dissemination agent which has been engaged by the City for such purpose to ensure full compliance with the requirements of the Rule and the Continuing Disclosure Undertakings.

Records Retention

The Responsible Party, or the dissemination agent at the direction of the Responsible Party, shall maintain records with respect to the filings with the MSRB using EMMA, including, but not limited to, EMMA posting receipts showing the dates and nature or contents of all filings for each issue of Obligations of the City outstanding during each fiscal year.

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EVENTS FOR WHICH
RULE 15C2-12 EVENT NOTICES ARE REQUIRED
(Current as of November 17, 2014)

1. Principal and interest payment delinquencies.

2. Nonpayment-related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

7. Modifications to rights of security holders, if material.

8. Bond calls, if material.

9. Defeasances.

10. Release, substitution or sale of property securing repayment of the securities, if material.

11. Rating changes.

12. Tender offers.

13. Bankruptcy, insolvency, receivership or similar event of the City[†].

14. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

15. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

[†]This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

EXHIBIT E – SERIES 2018 B SUPPLEMENTAL PARAMETERS RESOLUTION

FORM OF PRELIMINARY OFFICIAL STATEMENT

See Attached

THE CITY OF MORGANTOWN, WEST VIRGINIA

COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B (TAX EXEMPT)

CONFORMED BOND ORDINANCE

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EXHIBIT A – FORM OF SERIES 2018 B BONDS

THE CITY OF MORGANTOWN, WEST VIRGINIA

CONFORMED ORDINANCE

AN ORDINANCE AUTHORIZING THE DESIGN ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE POTABLE WATER PORTION AND STORMWATER PORTION OF THE EXISTING COMBINED UTILITY SYSTEM OF THE CITY OF MORGANTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, The City of Morgantown (the "Issuer" or the "City") presently owns and operates, through The City of Morgantown Utility Board (the "Board"), a public combined potable waterworks, sanitary sewerage and stormwater system (collectively, the "Combined Utility System," as hereinafter further described) and has heretofore financed the design, acquisition, construction and equipping of the Combined Utility System and certain additions, betterments and improvements thereto through the issuance of several series of bonds or refunding bonds, of which there are presently outstanding the Prior Bonds, as hereinafter defined.

WHEREAS, all of the Prior Bonds were issued pursuant to ordinances of the Issuer previously enacted (such ordinances, as so amended and supplemented, collectively herein called the "Prior Ordinances");

WHEREAS, under the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to design, acquire, construct and equip extensions, additions, betterments and improvements for the Combined Utility System;

WHEREAS, the Issuer has determined that (A.) the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the Potable Water System (as hereinafter defined), specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir, and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of all or a portion of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements of certain water treatment plant assets, distribution lines, pump stations and storage tanks, specifically including, but not

limited to, automated meter reading equipment, and all necessary appurtenances, as determined by the Board; and (B.) the design, acquisition, construction and equipping of certain extensions, betterments and improvements to the Stormwater System (as hereinafter defined), specifically including, but not limited to, stormwater piping, catchment structures, curbs and/or gutters, and all necessary appurtenances on Forrest Avenue, Valley View Avenue, Third Street and at Acorn Village/Tanglewood (collectively, the "Project"), is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the Issuer and surrounding areas;

WHEREAS, the Issuer has determined to finance all or a portion of the costs of the Project through the issuance of its "The City of Morgantown, Combined Utility System Revenue Bonds, Series 2018 B", in the aggregate principal amount of not more than $50,000,000 (the "Series 2018 B Bonds");

WHEREAS, the Issuer has determined to enact this Ordinance to authorize the issuance of the Series 2018 B Bonds (the "Series 2018 B Ordinance"), such Series 2018 B Bonds to have such security and such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, Series 2018 B Bonds will be issued on a parity with the Prior Bonds and any Additional Parity Bonds (as hereinafter defined) with respect to their lien on and security interest in the Gross Revenues of the Combined Utility System, and the Series 2018 B Bonds shall contain such other terms and provisions as are hereinafter provided, all in the manner set forth herein; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City that its Series 2018 B Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser, hereinafter defined;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF MORGANTOWN HEREBY ORDAINS:

ARTICLE I
DEFINITIONS, STATUTORY AUTHORITY, FINDINGS

Section 1.01. Definitions All capitalized terms used in this Ordinance and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2018 B Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

"Authorized Officer" means the Mayor and City Manager of the Issuer or any other officer of the Issuer specifically designated by resolution of the Council of the Issuer.

"Board" shall mean The City of Morgantown Utility Board, created by an ordinance of the Issuer, or any successor thereto, the authorized officer for which is the Board's General Manager.

"Bond Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia which succeeds to the functions of the Bond Commission.

"Bond Counsel" means any law firm having a national reputation in the field of public finance whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer or the Board, and shall initially mean Steptoe & Johnson PLLC, Charleston, West Virginia.

"Bondholder," "Holder," "Holder of the Bonds," "Owner of the Bonds," "Registered Owner," or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2018 B Bonds, shall initially mean the bond insurer, if any, named in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Series 2018 B Bonds.

"Bond Year" means with respect to each series of Series 2018 B Bonds the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2018 B Bonds, the Prior Bonds and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations, West Virginia banking corporations or the New York Stock Exchange are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2018 B Bonds in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2018 B BONDS," attached hereto.

"City" or "Issuer" means The City of Morgantown, a municipal corporation and political subdivision of the State of West Virginia, in Monongalia County thereof, and, where appropriate, the Council, the Board and any successor thereto.

"City Clerk" or "Clerk" means the City Clerk of the Issuer.

"City Manager" means the City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2018 B Bonds for the proceeds representing the original purchase price thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

"Combined Utility System" means, collectively, the Potable Water System, the Sewer System and the Stormwater System of the Issuer (all as herein defined), as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, betterments and improvements hereafter acquired, constructed and/or equipped for the Potable Water System, the Sewer System or the Stormwater System, located both within, and outside of, the Issuer's corporate boundaries.

"Connection Fees" means the fees, if any, paid by customers of the Combined Utility System in order to connect thereto.

"Consulting Engineers" means any independent licensed Professional Engineer or Engineers or firm or firms of Licensed Professional Engineers, that shall at any time now or hereafter be retained by the Board as Consulting Engineers for the Combined Utility System, or any portion thereof.

"Costs," "Costs of the Project" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation those costs set forth in Section 1.02C.

"Council" means the City Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the City Council as presently constituted.

"Debt Service" with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to any series of the Bonds during such period.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any bank or national banking association, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issueror the Board as Depository Bank.

"DTC" means The Depository Trust Company, New York, New York, or its successor thereof.

"DTC-eligible" means, with respect to the Series 2018 B Bonds, meeting the qualifications prescribed by DTC.

"Event of Default" means any occurrence or event specified in Section 7.01.

"FDIC" means the Federal Deposit Insurance Corporation or any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Government Obligations" shall have the meaning set forth in the Supplemental Resolution.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the Combined Utility System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" include any gains from the sale or other

disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments, as hereinafter defined) or any Tap Fees (as hereinafter defined).

"Independent Certified Public Accountant" means the West Virginia State Tax Department or any licensed Certified Public Accountant or firm of licensed Certified Public Accountants that shall at any time hereafter be retained by the Issuer or the Board to prepare an independent annual or special audit of the accounts of the Combined Utility System or for any purpose except keeping the accounts of said Combined Utility System in the normal operations of its business and affairs, and specifically shall not include any Certified Public Accountant who is an employee of either the City or the Board.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on then outstanding Bonds for the then current or any succeeding Fiscal Year.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by any Bond Insurer simultaneously with the delivery of the Series 2018 B Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2018 B Bonds, in accordance with the terms thereof.

“Municipal Bond Debt Service Reserve Insurance Policy” means, initially, a municipal bond debt service reserve insurance policy, and may, subsequently, mean a letter of credit, surety bond or other financial instrument.

"Net Proceeds" means the face amount of the Series 2018 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and less proceeds deposited in the Series 2018 B 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 2018 B Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses (as hereinafter defined).

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2018 B Bonds and is not acquired in order to carry out the governmental purpose of the Series 2018 B Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the Combined Utility System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs, fees and expenses of the Combined Utility System, fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds,

taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Ordinance" or "Bond Ordinance" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by supplemental resolution.

"Original Purchaser" means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2018 B Bonds directly from the Issuer, as determined by a resolution supplemental hereto.

"Outstanding" when used with reference to the Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which monies, equal to its then outstanding principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders for the purpose of consents, notices and the like, any Bond registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means, initially, the West Virginia Municipal Bond Commission and any other paying agent for the Series 2018 B Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

“Potable Water System” means, collectively the potable water production, storage and distribution facilities of the Combined Utility System, which specifically includes, but is not limited to, the Issuer’s raw water supply, storage and transmission, water treatment, and treated water storage and distribution, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further additions, betterments and improvements thereto hereafter acquired, constructed and/or equipped for the Potable Water System located both within, and outside of, the Issuer’s corporate boundaries.

“Prior Bonds” means, collectively, the Series 2000 A Bonds, Series 2000 B Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 A Bonds, Series 2016 B-1 Bonds, Series 2017 A Bonds, and Series 2018 A Bonds.

"Prior Ordinances" means, collectively, the ordinances of the Issuer authorizing the issuance of the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Project" means, collectively, the design, acquisition, construction and equipping of certain extensions, betterments and improvements to (A.) the Potable Water System (as hereinafter defined), specifically including, but not limited to, the design, acquisition, construction and equipping of a new water reservoir, and any, all or none of the following depending on the availability of funds: (i) the acquisition and installation of emergency generators to serve certain facilities in the Potable Water System; (ii) the design, acquisition, construction and equipping of all or a portion of a raw water transmission line from the new raw water reservoir to the water treatment plant; and/or (iii) the design, acquisition, construction and equipping of extensions, betterments and improvements of certain water treatment plant assets, distribution lines, pump stations and storage tanks, specifically including, but not limited to, automated meter reading equipment, and all necessary appurtenances, as determined by the Board; and (B.) the Stormwater System (as hereinafter defined), specifically including, but not limited to, stormwater piping, catchment structures, curbs and/or gutters, and all necessary appurtenances on Forrest Avenue, Valley View Avenue, Third Street and at Acorn Village/Tanglewood.

"Purchase Price" for the purpose of computation of the Yield of the Series 2018 B Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2018 B Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2018 B Bonds of each maturity is sold or, if the Series 2018 B Bonds are privately placed, the price paid by the first buyer of the Series 2018 B Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2018 B Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2018 B Bonds.

"Qualified Investments" means and includes all investments permitted to be made by a municipality and political subdivision under the laws of the State, as enacted as of the date of enactment of this Bond Ordinance in West Virginia Code § 8-13-22a and 8-22-22a, and as may be amended or modified from time to time. In the event that the laws of the State would cease to provide guidance on permissible investments, the last applicable law of the State shall control such investments.

"Record Date" means the date or dates which shall be so stated in the Series 2018 B Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

"Redemption Price" means the price at which any of the Bonds may be called for redemption and includes the principal amount of the Bonds to be redeemed, plus the interest and the premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2018 B Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

"Revenue Fund" means the Revenue Fund created by the Prior Ordinances and continued hereby.

“Series 2000 A Bonds” means the Combined Utility System Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of $7,842,000.

“Series 2000 B Bonds” means the Combined Utility System Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of $2,488,000.

“Series 2006 A Bonds” means the Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of $6,410,191.

“Series 2007 A Bonds” means the Combined Utility System Revenue Bonds, Series 2007 A (West Virginia SRF Program), of the Issuer, dated August 14, 2007, issued in the original aggregate principal amount of $8,500,000.

“Series 2010 A Bonds” means the Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $37,950,000.

“Series 2010 B Bonds” means the Combined Utility System Revenue Bonds, Series 2010 B (West Virginia SRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $81,600.

“Series 2010 C Bonds” means the Combined Utility System Revenue Bonds, Series 2010 C (West Virginia SRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $15,380,227.

“Series 2010 D Bonds” means the Combined Utility System Revenue Bonds, Series 2010 D (West Virginia DWTRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $9,317,286.

“Series 2010 E Bonds” means the Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $100,000.

“Series 2010 F Bonds” means the Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of $7,250,000.

“Series 2012 A Bonds” means the Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, dated August 24, 2012, issued in the original aggregate principal amount of $570,000.

"Series 2013 A Bonds" means the Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated August 22, 2013, issued in the original aggregate principal amount of $4,605,260.

"Series 2014 B Bonds" means the Combined Utility System Revenue Bonds, Series 2014 B, of the Issuer, dated July 13, 2014, issued in the original aggregate principal amount of $505,421.

"Series 2015 A Bonds" means the Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of $137,568.

"Series 2015 B Bonds" means the Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of $4,586.

"Series 2015 C Bonds" means the Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of $8,111,813.

"Series 2015 D Bonds" means the Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of $1,688,394.

"Series 2015 E Bonds" means the Combined Utility System Revenue Bonds, Series 2015 E (West Virginia SRF Program), of the Issuer, dated June 11, 2015, issued in the original aggregate principal amount of $662,300.

"Series 2016 A Bonds" means the Combined Utility System Revenue Bonds, Series 2016 A, of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $69,755,000.

"Series 2016 B-1 Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $25,000,000.

"Series 2016 B-2 Bonds" means the Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green), of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of $500,000. Pursuant to the terms and conditions of the Series 2016 B-2 Bonds, the outstanding principal of the Series 2016 B-2 Bonds is forgiven by the holder thereof on the last day of the Fiscal Year in which such principal is advanced. No repayment of any principal of the Series 2016 B-2 Bonds will occur and the Series 2016 B-s Bonds do not bear any interest. The Series 2016 B-2 Bonds are not secured by any lien on the Gross Revenues of the Combined Utility System.

"Series 2017 A Bonds" means the Combined Utility System Revenue Bonds, Series 2017 A (Bank Qualified), dated December 21, 2017, issued in the original aggregate principal amount of $2,695,000.

"Series 2018 A Bonds" means the Combined Utility System Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), dated January 31, 2018, issued in the original aggregate principal amount of $394,074.

"Series 2018 B Bonds" means the Combined Utility System Revenue Bonds, Series 2018 B of the Issuer, authorized to be issued in the aggregate principal amount of not more than $50,000,000 pursuant to this Ordinance and the Supplemental Resolution.

"Series 2018 B Bonds Construction Fund" means the Series 2018 B Bonds Construction Fund created by Section 4.01 hereof.

"Series 2018 B Bonds Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2018 B Bonds Redemption Account" means the Redemption Account created in the Series 2018 B Bonds Sinking Fund by Section 4.02 hereof.

"Series 2018 B Bonds Reserve Account" means the Series 2018 B Bonds Reserve Account created in the Series 2018 B Bonds Sinking Fund by Section 4.02 hereof.

"Series 2018 B Bonds Sinking Fund" means the Series 2018 B Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2018 B Bonds Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2018 B Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2018 B Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2018 B Bonds.

“Sewer System” means, collectively, the sanitary sewerage collection and treatment facilities of the Combined Utility System which specifically includes, but is not limited to, collection lines, transmission mains, pump stations, manholes, and wastewater treatment plants, as presently existing in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereinafter acquired, constructed or equipped for the Sewer System, located both within, and outside of, the Issuer’s corporate boundaries.

"State" means the State of West Virginia.

“Stormwater System” means, collectively, the stormwater management and conveyance facilities of the Combined Utility System which specifically includes, but is not limited to, pipe, culverts, channels and watercourses, as presently existing in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereinafter acquired, constructed, or equipped for the Stormwater System, located both within, and outside of, the Issuer’s corporate boundaries.

"Supplemental Resolution" means, collectively, any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Supplemental Resolutions to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates, redemption provisions, Bond Insurer provisions (if any) and other terms of the Series 2018 B Bonds and authorizing the sale of the Series 2018 B Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2018 B Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

Section 1.02. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The Issuer is a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State.

B. The Issuer presently owns and operates, through the Board, a public combined potable waterworks, sanitary sewerage, and stormwater, collectively the "Combined Utility System". It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the potable water supply for all customers of the Combined Utility System, that there be designed, acquired constructed and equipped certain extensions, additions, betterments and improvements to the Potable Water System and Stormwater System of the Combined Utility System, specifically the Project.

C. It is deemed necessary for the Issuer to issue its Combined Utility System Revenue Bonds, Series 2018 B, in the aggregate principal amount of not more than $50,000,000, to permanently finance all or a portion of the costs of design, acquisition, construction and equipping of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2018 B Bonds prior to and during acquisition, construction and/or equipping and for a period not exceeding 6 months after completion of acquisition, construction and equipping of the Project; amounts which may be deposited in the Series 2018 B Bonds Reserve Account; underwriter's discount, engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses; commitment fees; the premium for a Municipal Bond Insurance Policy; the premium for a Municipal Bond Debt Service Reserve Insurance Policy; letter of credit fees; discount; initial fees for the services of

registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2018 B 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 2018 B Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

D. The period of usefulness of the Combined Utility System after completion of the Project is not less than 40 years.

E. It is in the best interests of the Issuer that the Series 2018 B Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by Supplemental Resolution of the Issuer.

F. There are or will be outstanding obligations of the Issuer which will rank on a parity with the Series 2018 B Bonds as to liens, pledge, source of and security for payment, being the Issuer's Prior Bonds and any hereinafter issued Additional Parity Bonds, as provided in this Ordinance.

Prior to the issuance of the Series 2018 B Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 2000 A Bonds, Series 2000 B Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 B-1 Bonds and Series 2018 A Bonds to the issuance of the Series 2018 B Bonds on a parity with the Series 1992 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 B-1 Bonds and Series 2018 A Bonds. The Series 2010 A Bonds, Series 2010 F Bonds, Series 2014 B Bonds and Series 2016 A Bonds, and Series 2017 A Bonds do not require written consent from the holders thereof.

Other than the Prior Bonds, there are no other presently outstanding bonds or obligations of the Issuer which are secured by Gross Revenues or assets of the Combined Utility System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

G. The Issuer intends to issue the Series 2018 B Bonds, and to pledge for payment thereof, the Gross Revenues of the Combined Utility System, on a parity with one another and on a parity with such pledge in favor of the Holders of the Prior Bonds and any hereinafter issued Additional Parity Bonds.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the Combined Utility System will be sufficient to provide for the repair, maintenance and operation of the Combined Utility System, to pay the principal of and interest on the Series 2018 B Bonds and the Prior Bonds as and when it becomes due and reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2018 B Bonds, and secure the Series 2018 B Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the Combined Utility System, the monies in the Series 2018 B Bonds Sinking Fund, including the Series 2018 B Bonds Reserve Account therein, unexpended proceeds of the Series 2018 B Bonds and as further set forth herein.

J. The Series 2018 B Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in "EXHIBIT A – FORM OF SERIES 2018 B BONDS" attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K. All things necessary to make the Series 2018 B Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2018 B Bonds, will be timely done and duly performed.

L. The enactment of this Ordinance, the execution and issuance of the Series 2018 B Bonds and the amendment, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. Prior to construction, the Issuer will have complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the Combined Utility System and issuance of the Series 2018 B Bonds including but not limited to Chapter 24, Article 2, Paragraph 11 (l).

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2018 B Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Series 2018 B Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2018 B Bond and any other Series 2018 B Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01 Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not more than $55,000,000, of which up to $50,000,000 will be obtained from the proceeds of the Series 2018 B Bonds.

ARTICLE III
THE SERIES 2018 B BONDS

Section 3.01 Form and Payment of Bonds. No Series 2018 B Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2018 B Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2018 B Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2018 B Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2018 B Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2018 B Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2018 B Bonds shall be in default, Bonds issued in exchange for Series 2018 B Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2018 B Bonds surrendered.

The principal of, and the interest and premium, if any, on, the Series 2018 B Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2018 B Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2018 B Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2018 B Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Series 2018 B Bond in the principal amount of said Series 2018 B Bond then Outstanding.

Section 3.02. Execution of the Series 2018 B Bonds. The Series 2018 B Bonds shall be executed in the name of the Issuer by the Mayor, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2018 B Bonds shall cease to be such officer of the Issuer before the Series 2018 B Bonds so signed and sealed have been actually sold and delivered, such Series 2018 B Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2018 B Bonds had not ceased to hold such office. Any Series 2018 B Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Series 2018 B Bonds shall hold the proper office in the City, although at the date of such Series 2018 B Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2018 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Series 2018 B Bond, substantially in the form set forth in "EXHIBIT A – FORM OF SERIES 2018 B BONDS" attached hereto and incorporated herein by reference with respect to the Series 2018 B Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2018 B Bond shall be conclusive evidence that such Series 2018 B Bond has been authenticated,

registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2018 B Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2018 B Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2018 B Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2018 B Bonds, in accepting any of said Series 2018 B Bonds, shall be conclusively deemed to have agreed that such Series 2018 B Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder of the Series 2018 B Bonds shall further be conclusively deemed to have agreed that said Series 2018 B Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2018 B Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2018 B Bonds. The Series 2018 B Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2018 B Bond, there shall be issued at the option of the Holder of the Series 2018 B Bonds or the transferee another Series 2018 B Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Series 2018 B Bond and of the same series, interest rate and maturity of said transferred Series 2018 B Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2018 B Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Series 2018 B Bonds, of the same maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2018 B Bond is exercised, Series 2018 B Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2018 B Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2018 B Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2018 B Bonds, the Registrar may impose a service charge. For every such transfer or exchange of Series 2018 B Bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2018 B Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2018 B Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Series 2018 B Bond of like series, maturity and principal amount as the Series 2018 B Bond, so mutilated, destroyed, stolen or lost, in exchange and

upon surrender and cancellation of, such mutilated Series 2018 B Bond, or in lieu of and substitution for the Series 2018 B Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Series 2018 B Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2018 B Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Series 2018 B Bond shall have matured or be about to mature, instead of issuing a substitute Series 2018 B Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Series 2018 B Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Series 2018 B Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2018 B Bonds be at any time found by any one, and such duplicate Series 2018 B Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued as part of the Series 2018 B Bonds pursuant to this Ordinance, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2018 B Bonds Redemption Account in accordance with Section 4.03 shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2018 B Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

2. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

3. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

4. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2018 B Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2018 B Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2018 B Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2018 B Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail or electronic transmission at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer and the registered owner of the Series 2018 B Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2018 B Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all Outstanding Series 2018 B Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2018 B Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Series 2018 B Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Series 2018 B Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar, and

(6) Such other information, if any, as shall be required for DTC-Eligible Bonds.

If funds sufficient to redeem all Series 2018 B Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is conditioned on, and subject to, the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2018 B Bonds called for redemption of such fact and no holder of any Series 2018 B Bonds shall have any claim of any type, of law or in equity, against the Issuer.

Official notice of redemption having been given as aforesaid, the Series 2018 B Bonds, or portions of the Series 2018 B Bonds so to be redeemed, shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2018 B Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such Bond. All Series 2018 B Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2018 B Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Series 2018 B Bond is registered as the owner of such Series 2018 B Bond for the purpose of receiving payment of the principal of, and interest on, such Series 2018 B Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Series 2018 B Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 2018 B Bonds. For the purposes of paying all or a portion of the costs of the Project, capitalizing interest on the Series 2018 B Bonds, paying the premium for a Municipal Bond Insurance Policy, funding the Series 2018 B Bonds Reserve Account with proceeds of the Series 2018 B Bonds or paying the premium for a Municipal Bond Debt Service Reserve Insurance Policy, in an amount equal to the Series 2018 B Bonds Debt Service Reserve Requirement and paying costs in connection with the issuance of the Series 2018 B Bonds, or any or all such purposes, there shall be issued the Series 2018 B Bonds of the Issuer, in an aggregate principal amount of not more than $50,000,000. Said Series 2018 B Bonds shall be designated "Combined Utility System Revenue Bonds,

Series 2018 B" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in the Supplemental Resolution, and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2018 B Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2018 B Bonds shall be numbered from BR-1 consecutively upward. The Series 2018 B Bonds shall be dated; shall be in such aggregate principal amount (not to exceed $50,000,000); shall bear interest at such rate or rates, (not to exceed 8%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 35 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2018 B Bonds. A. The Series 2018 B Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2018 B Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2018 B Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2018 B Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2018 B Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2018 B Bond or any other evidence of ownership of the Series 2018 B Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2018 B Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2018 B Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2018 B Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2018 B Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of, or interest on, the Series 2018 B Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2018 B Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2018 B Bonds so redeemed, but DTC may retain such Series 2018 B Bonds and make an appropriate notation on the Series 2018 B Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2018 B Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2018 B Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2018 B Bonds, selecting the Series 2018 B Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2018 B

Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2018 B Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2018 B Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2018 B Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2018 B Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2018 B Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2018 B Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2018 B Bonds. In either of such events (unless in the case described in clause (iii) above, the Issuer appoints a successor securities depository), the Series 2018 B Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2018 B Bonds.

Section 3.12. Delivery of Series 2018 B Bonds. A. The Issuer shall execute and deliver the Series 2018 B Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2018 B Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2018 B Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2018 B Bonds to DTC for the benefit of the Original Purchaser;

(3) Copies certified by the City Clerk of this Ordinance and the Supplemental Resolution;

(4) The unqualified approving opinion upon the Series 2018 B Bonds by Bond Counsel; and

(5) Such other opinions, certificates and documents as shall be reasonably requested by the Original Purchaser.

Section 3.13. Form of Series 2018 B Bonds. The definitive Series 2018 B Bonds shall be in substantially the form set forth in "EXHIBIT A – FORM OF SERIES 2018 B BONDS" attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2018 B Bonds on behalf of the Issuer

and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2018 B Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2018 B Bonds. Upon the issuance and delivery of the Series 2018 B Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2018 B Bonds from the date thereof to the date of delivery thereof, if any, shall be deposited in the Series 2018 B Bonds Sinking Fund and applied to payment of interest on the Series 2018 B Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2018 B Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer.

3. An amount of the proceeds of the Series 2018 B Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2018 B Bonds Reserve Account; provided, that to the extent the Series 2018 B Bonds Reserve Requirement is satisfied in whole or in part from a Municipal Bond Debt Serve Reserve Insurance Policy, proceeds of the Series 2018 B Bonds shall be (i) paid to the Bond Insurer, via wire transfer, in an amount equal to the premium for the Municipal Bond Debt Service Reserve Insurance Policy and (ii) deposited in the Series 2018 B Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2018 B Bonds Reserve Requirement.

4. The amount of Series 2018 B Bond proceeds which, together with other monies or securities deposited therein, shall be equal to the Costs of Issuance of the Series 2018 B Bonds shall be deposited with the Depository Bank in the Series 2018 B Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2018 B Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2018 B Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2018 B Bonds Construction Fund established in Section 4.01 hereof and applied to Costs of the Project. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2018 B Bonds from which such proceeds are derived.

5. The balance of Series 2018 B Bonds proceeds, if any, shall be deposited in the Series 2018 B Bonds Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Series 2018 B Bonds Construction Fund. Disbursements from the Series 2018 B Bonds Construction Fund, except for payment of Costs of Issuance of the Series 2018 B Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Issuer, shall be made only for design, acquisition, construction and equipping of the Project, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2018 B Bonds Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the direction of the Board.

ARTICLE IV
COMBINED UTILITY SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other (except as set forth in this Section 4.01), and used solely for the purposes provided herein:

(1) Revenue Fund (established by the Prior Ordinances);

(2) Depreciation Fund (established by the Prior Ordinances);

(3) Operation and Maintenance Fund (established by the Prior Ordinances);

(4) Series 2018 B Bonds Construction Fund; and

(5) Series 2018 B Bonds Cost of Issuance Fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. The following special funds or accounts are hereby created (or continued if established by Prior Ordinances) with and shall be held by the Bond Commission, separate and apart from all other funds or accounts of the Bond Commission or the Issuer and from each other:

(1) Series 1992 Bonds Sinking Fund (established by Prior Ordinances);

(2) Series 1992 Bonds Reserve Account established by Prior Ordinances);

(3) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);

(4) Series 2000 A Bonds Reserve Account established by Prior Ordinances);

(5) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances);

(6) Series 2000 B Bonds Reserve Account established by Prior Ordinances);

(7) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);

(8) Series 2006 A Bonds Reserve Account established by Prior Ordinances);

(9) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);

(10) Series 2007 A Bonds Reserve Account established by Prior Ordinances);

(11) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);

(12) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);

(13) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);

(14) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);

(15) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);

(16) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);

(17) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);

(18) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);

(19) Series 2010 F Bonds Sinking Fund (established by Prior Ordinances);

(20) Series 2010 F Bonds Reserve Account (established by Prior Ordinances);

(21) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);

(22) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);

(23) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);

(24) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);

(25) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances);

(26) Series 2014 B Bonds Reserve Account (established by Prior Ordinances);

(26) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances);

(28) Series 2015 A Bonds Reserve Account (established by Prior Ordinances);

(29) Series 2015 B Bonds Sinking Fund (established by Prior Ordinances);

(30) Series 2015 B Bonds Reserve Account (established by Prior Ordinances);

(31) Series 2015 C Bonds Sinking Fund (established by Prior Ordinances);

(32) Series 2015 C Bonds Reserve Account (established by Prior Ordinances);

(33) Series 2015 D Bonds Sinking Fund (established by Prior Ordinances);

(34) Series 2015 D Bonds Reserve Account (established by Prior Ordinances);

(35) Series 2015 E Bonds Sinking Fund (established by Prior Ordinances);

(36) Series 2015 E Bonds Reserve Account (established by Prior Ordinances);

(37) Series 2016 A Bonds Sinking Fund (established by Prior Ordinances);

(38) Series 2016 A Bonds Reserve Account (established by Prior Ordinances);

(39) Series 2016 B-1 Bonds Sinking Fund (established by Prior Ordinances);

(40) Series 2016 B-1 Bonds Reserve Account (established by Prior Ordinances);

(41) Series 2017 A Bonds Sinking Fund (established by Prior Ordinances);

(42) Series 2017 A Bonds Reserve Account (established by Prior Ordinances);

(43) Series 2018 A Bonds Sinking Fund (established by Prior Ordinances);

(44) Series 2018 A Bonds Reserve Account (established by Prior Ordinances);

(45) Series 2018 B Bonds Sinking Fund; and

(46) Series 2018 B Bonds Reserve Account

Section 4.03. Combined Utility System Revenues and Application Thereof. So long as any of the Series 2018 B Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the Combined Utility System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be held by the Board and kept separate and distinct from all other funds of the Issuer, the Board and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, from the monies in the Revenue Fund, on the first day of each month, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to for payment of interest on the Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2016 A Bonds, Series 2016 B-1 Bonds and Series 2017 A Bonds; and (ii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2018 B Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2018 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2018 B Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2018 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2018 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2018 B Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2018 B Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2018 B Bonds Sinking Fund.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Sinking Funds for the Prior Bonds for the payment of principal of the Prior Bonds; and (ii) for deposit in the Series 2018 B Bonds Sinking Fund (and in the Series 2018 B Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of

each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory Redemption Date of the Series 2018 B Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2018 B Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2018 B Bonds on the next ensuing principal payment or mandatory Redemption Date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2018 B Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2018 B Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2018 B Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the respective Reserve Accounts for the Prior Bonds; and (ii) if not funded upon issuance of the Series 2018 B Bonds with Series 2018 B Bond proceeds or with a Debt Service Reserve Insurance Policy, for deposit in the Series 2018 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2018 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2018 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2018 B Bonds Reserve Requirement; provided further, that if the amounts in the Series 2018 B Bonds Reserve Account, as a result of a decrease in value of the Series 2018 B Bonds Reserve Account below the Series 2018 B Bonds Reserve Account Requirement or any withdrawal from the Series 2018 B Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2018 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2018 B Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2018 B Bonds Reserve Account is less than the Series 2018 B Bonds Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2018 B Bonds Reserve Account for deposit into the Series 2018 B Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2018 B Bonds Reserve Account to an amount equal to the Series 2018 B Bond Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2018 B Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2018 B Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2018 B Bonds Reserve Account whenever and as long as the amount deposited therein, or the Municipal Bond Debt Service Reserve Insurance Policy pledged thereto, shall be equal to the Series 2018 B Bond Reserve Account Requirement.

Amounts deposited in, or pledged to, the Series 2018 B Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2018 B Bonds when due, when amounts in the Series 2018 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

(4) The Issuer shall next, each month, transfer from the Revenue Fund an amount sufficient to pay current Operating Expenses of the Combined Utility System.

(5) The Issuer shall next, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Ordinances and not in addition thereto), a sum equal to 2.5% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Ordinances so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, or improvements or extensions to the Combined Utility System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such Reserve Account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) Whenever all of the required and provided for transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by the Act, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the Combined Utility System.

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2018 B Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2018 B Bonds, if any, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. The monies on deposit in the Revenue Fund and the Renewal and Replacement Fund in excess of the sum insured by the FDIC shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of municipal funds under the laws of the State.

D. Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2018 B Bonds, and any hereinafter issued Additional Parity Bonds all in accordance with the respective principal amounts then Outstanding.

ARTICLE V
INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer, through the Board, shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall, though the Board, sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer, through the Board, may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section (unless otherwise required by the Bond Insurer and as set forth in the Supplemental Resolution):

(A) Qualified Investments acquired for the Series 2018 B Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer, through the Board, shall, or shall cause the Bond Commission to, annually transfer from the Series 2018 B Bonds Reserve Account to the Series 2018 B Bonds Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2018 B Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2018 B Bonds Reserve Account an amount at least equal to the Series 2018 B Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2018 B Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If no longer funded with a Municipal Bond Debt Service Reserve Insurance Policy equal to the Series 2018 B Bonds Reserve Requirement and the amounts on deposit in the Series 2018 B Bonds Reserve Account shall, at any time, be less than the applicable Series 2018 B Bonds Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the respective sinking funds for the Prior Bonds and the Series 2018 B Bonds Sinking Fund and otherwise in accordance with Section 4.03(3).

(E) All amounts representing accrued and capitalized interest, if any, shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2018 B Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(F) Notwithstanding the foregoing, all monies deposited in the Series 2018 B Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the Issuer hereby

instructs the Mayor to take all actions necessary for the Issuer to comply with the continuing disclosure agreement.

Section 5.03. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2018 B Bonds in such manner and to such extent as may be necessary, so that such Series 2018 B Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Series 2018 B Bonds) so that the interest on the Series 2018 B 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 5.04. Tax Certificate, Rebates, and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2018 B Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2018 B Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the Combined Utility System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefore. The Issuer at its expense may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.04. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.04 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2018 B Bonds from gross income for federal income tax purposes.

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2018 B Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2018 B Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2018 B Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. The Series 2018 B Bonds not to be Indebtedness of the Issuer. The Series 2018 B Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the Combined Utility System, the monies in the Series 2018 B Bonds Sinking Fund and all accounts therein, the unexpended proceeds of the Series 2018 B Bonds or monies in the Series 2018 B Bonds Construction Fund, if any, all as herein provided. No Holder or Holders of any Series 2018 B Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Series 2018 B Bonds or the interest thereon.

Section 6.03. Series 2018 B Bonds Secured by Pledge of Gross Revenues and Monies in Series 2018 B Bonds Sinking Fund. The payment of the debt service of all of the Series 2018 B Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the Combined Utility System on a parity with one another and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds and any hereinafter issued Additional Parity Bonds, and with respect to the Series 2018 B Bonds, all monies and securities in the Series 2018 B Bonds Sinking Fund, including the Series 2018 B Bonds Reserve Account therein, to the extent necessary to make the payments required under Section 4.03. The Gross Revenues derived from the Combined Utility System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, the Series 2018 B Bonds, and any hereinafter issued Additional Parity Bonds, and to make the payments into the Series 2018 B Bonds Sinking Fund, including the Series 2018 B Bonds Reserve Account therein, are pledged *pari passu* by the Issuer.

Section 6.04. Rates. Equitable rates or charges for the use of and service rendered by the Combined Utility System have been established all in the manner and form required by law. Copies of such rates and charges so established may be obtained from the Board by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the Combined Utility System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the Combined Utility System (i) to provide for all Operating Expenses of the Combined Utility System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such Gross Revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the Combined Utility System within 120 days following a determination of an Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

The Issuer expressly reserves the right to reduce the rates for the Combined Utility System, whether approved or in effect as of the date of issuance of the Series 2018 B Bonds, in the event that, based on a certificate of an Independent Certified Public Accountant, after any such decrease in rates, the Issuer will meet the requirements of this Section 6.04 and is not in default under any other provision of any ordinance authorizing any bonds or other indebtedness secured by the Gross Revenues of the Combined Utility System.

Section 6.05. Completion of Project; Operation and Maintenance of the Combined Utility System. The Issuer will complete the Project as promptly as possible. The Issuer will maintain the Combined Utility System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of said Combined Utility System in the manner provided in this Ordinance.

The Issuer either has, or will, obtain all permits required by state and federal laws for the acquisition, construction and equipping of the Project.

Section 6.06. Sale of the Combined Utility System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the Combined Utility System, except as provided by the Prior Ordinances. Additionally, so long as the Series 2018 B Bonds are Outstanding, the Combined Utility System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the Combined Utility System shall be immediately remitted to the Bond Commission for deposit in the Series 2018 B Bonds Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Revenues of the Combined Utility System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the Combined Utility System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $5,000,000, the Board shall, in writing, determine that such property comprising a part of the Combined Utility System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be used for any lawful purpose of the Combined Utility System. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $5,000,000 but not in excess of $10,000,000, the Board shall first obtain the written approval of the Consulting Engineers that such property comprising a part of the Combined Utility System is no longer necessary, useful or profitable in the operation thereof, and the Board may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any

such sale, lease or other disposition of such property, in excess of $5,000,000 and not in excess of $10,000,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the Combined Utility System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $10,000,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of (i) any applicable Bond Insurer, or (ii) if the Series 2018 B Bonds are not insured, the Holders, or their duly authorized representatives, of 60% in an amount of Series 2018 B Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer or the then Holders of the Series 2018 B Bonds for the disposition of the proceeds from the sale, lease or other disposition of such properties of the Combined Utility System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, payable from the Gross Revenues of the Combined Utility System which rank prior to, or equally, as to lien on and source of and security for payment from the Gross Revenues with the Series 2018 B Bonds and the Prior Bonds; and all obligations hereafter issued by the Issuer payable from the Gross Revenues of the Combined Utility System, except such Additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such Gross Revenues and in all other respects to the Series 2018 B Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2018 B Bonds, upon any of the income and revenues of the Combined Utility System pledged for payment of the principal of, and interest on the Series 2018 B Bonds in this Ordinance or upon the Combined Utility System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds are outstanding the limitations on the issuance of parity obligations set forth in the Prior Ordinances authorizing such bonds shall be applicable. In addition, no Additional Parity Bonds, as in this section defined, payable out of the Gross Revenues of the Combined Utility System shall be issued after the issuance of the Series 2018 B Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition, construction and/or equipping of additions, betterments and/or improvements for the Combined Utility System, refunding all or a portion of one or more series of the Series 2018 B Bonds and/or the Prior Bonds, refunding all or a portion of any series of Additional Parity Bonds hereinafter issued, paying claims which may exist against the revenues or facilities of the Combined Utility System, or all of such purposes.

No such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Certified Public Accountant reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the Combined Utility System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the date of issuance

of such Additional Parity Bonds, shall be not less than 115% of the Maximum Annual Debt Service on the following:

(1) The Series 2018 B Bonds then Outstanding;

(2) The Prior Bonds then Outstanding;

(3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

(4) The Additional Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Additional Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such Additional Parity Bonds.

The Net Revenues actually derived from the Combined Utility System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received in the opinion of the Independent Certified Public Accountant, as stated in a certificate, on account of increased rates, rentals, fees and charges for the Combined Utility System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Additional Parity Bonds.

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean evidence of indebtedness, specifically including, but not limited to, bonds and notes issued under the provisions and within the limitations of the Act and this section, payable from the Gross Revenues of the Combined Utility System on a parity with the Series 2018 B Bonds and the Prior Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2018 B Bonds and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the Combined Utility System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the Combined Utility System of which is subordinate to the lien of the Series 2018 B Bonds, the Prior Bonds and any theretofore issued Additional Parity Bonds on such Gross Revenues (hereinafter “Subordinate Bonds”). Nothing contained in this Ordinance shall be deemed to limit or restrict the ability of the Issuer to issue Subordinate Bonds. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the Combined Utility System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Revenues with the Series 2018 B Bonds except in the manner and under the conditions provided in this section.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Series 2018 B Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in this Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2018 B Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense of the Combined Utility System, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the Combined Utility System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the Combined Utility System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Board and the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by public utilities of equivalent size with respect to works and properties similar to the Combined Utility System to protect the Issuer and the Board from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the ownership, management, operation and maintenance of the Combined Utility System, and insurance with the same limits to protect the Issuer and the Board from claims arising out of operation or ownership of motor vehicles of or for the Combined Utility System; provided, that the Board, with the review of an independent insurance consultant and the concurrence of the Issuer, may elect to self-insure.

C. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE COMBINED UTILITY SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such bonds will be filed with the Clerk of the County Commission of Monongalia County prior to commencement of acquisition, construction and/or equipping of any additions, extensions or improvements for the Combined Utility System in compliance with West Virginia Code, Section 38-2-39.

D. FLOOD INSURANCE, if the facilities of the Combined Utility System are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F. FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Board having custody of the revenues or of any other funds of the Combined Utility System, in an amount at least equal to the total funds in the custody of any such person at any one time.

The Issuer and/or the Board shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract with such contractor as security for the faithful performance of such contract.

The Issuer and/or the Board shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project.

If the Issuer or the Board determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer or the Board for the Combined Utility System, taking into consideration the costs and practices of other municipal utility systems of similar size, to the extent that such information is available. The Issuer and/or the Board may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer or the Board determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

Section 6.10. Services Rendered to the Board or Issuer. The Board will not render or cause to be rendered any free services of any nature by its Combined Utility System; and, in the event the Board, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself of any or all of the facilities or services provided by the Combined Utility System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Board, the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Board or the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the Combined Utility System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the Combined Utility System.

Section 6.11. Enforcement of Collections. The Issuer shall, through the Board, diligently enforce and collect all fees, rentals or other charges for the services and facilities of the Combined Utility System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the Combined Utility System.

Section 6.13. Books and Records. The Board will keep books and records of the Combined Utility System, which shall be separate and apart from all other books, records and accounts of the Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the Combined Utility System. Any Holder of a Series 2018 B Bond shall have the right at all reasonable times to inspect the Combined Utility System, and all parts thereof, and all records, accounts and data of the Board relating thereto.

The accounting system for the Combined Utility System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Board. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Board. The Board shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Board shall be reported to such agent of the Board as it shall direct.

The Issuer or the Board shall, at least once a year, cause the books, records and accounts of the Combined Utility System to be completely audited by an Independent Certified Public Accountant.

Section 6.14. Operating Budget. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the Combined Utility System during the succeeding Fiscal Year.

Section 6.15. Mandatory Connections. The mandatory use of the sanitary sewerage portion of the Combined Utility System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer, and in order to assure the rendering harmless of sewage and waterborne waste matter produced or arising within the territory served by the sanitary sewerage portion of the Combined Utility System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the sanitary sewerage portion of the Combined Utility System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sanitary sewerage portion of the Combined Utility System.

Any such house, dwelling or building from which emanates sewage or waterborne waste matter and which is not so connected to the sanitary sewerage portion of the Combined Utility System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the residents of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2018 B Bonds, a statutory mortgage lien upon the Combined Utility System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2018 B Bonds and shall be on a parity with all series of the Series 2018 B Bonds and with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 6.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2018 B Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2018 B Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2018 B 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 2018 B Bonds during the terms thereof is, under the terms of such Series 2018 B 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 2018 B Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Combined Utility System, or if the Series 2018 B Bonds are for the purpose of financing more than one project, a portion of the Combined Utility System, and shall not exceed the proceeds used for the governmental use of that portion of the Combined Utility System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2018 B Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2018 B 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 2018 B 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 2018 B Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. Without limiting the generality of the foregoing, the Issuer agrees to comply with the provisions of the Tax Certificate, which are hereby incorporated herein. This covenant shall survive payment in full or defeasance of the Series 2018 B Bonds.

Section 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer may obtain a Municipal Bond Insurance Policy for all, or certain maturities, of the Series 2018 B Bonds. In the event such Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2018 B Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2018 B Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

Section 6.19. Covenants Regarding the Municipal Bond Debt Service Reserve Insurance Policy. The Issuer may obtain a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 B Bonds Debt Service Reserve Account in an amount equal to the Series 2018 B Bonds Reserve Requirement. In the event such Municipal Bond Debt Service Reserve Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2018 B Bonds, and shall be controlling in the event any other provisions of this Ordinance or Supplemental Resolution may be in conflict therewith.

In the event that the Issuer does not obtain a Municipal Bond Debt Service Reserve Insurance Policy contemporaneously with the issuance of the Series 2018 B Bonds, the Issuer may , so long as the Series 2018 B Bonds are outstanding, via the adoption of a Supplemental Resolution, fund the Series 2018 B Bonds Reserve Account with a Municipal Bond Debt Service Reserve Insurance Policy in an amount equal to the Series 2018 B Bonds Reserve Requirement and any additional covenants of the Issuer required by the Bond Insurer shall be set forth in such Supplemental Resolution, shall apply to the Series 2018 B Bonds, and shall be controlling in the event any other provisions of the Ordinance or any other Supplemental Resolution may be in conflict therewith.

Section 6.20. Continuing Disclosure Agreement. The Issuer shall deliver a Continuing Disclosure Agreement, Dissemination Agent Agreement or Continuing Disclosure Certificate in form acceptable to the Original Purchaser, the form of which shall be approved by the Supplemental Resolution, sufficient to ensure compliance with Rule 15c2-12, as it may be amended from time to time, and the Mayor is authorized and directed to execute and deliver such Continuing Disclosure Agreement on behalf of the Issuer, with such changes as the Mayor shall approve, such approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by the Mayor. The Mayor, City Manager and Clerk are further authorized to take all actions necessary for the Issuer to comply with the Continuing Disclosure Agreement.

Section 6.21 Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2018 B Bonds shall be and the same is hereby approved. The Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Mayor is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2018 B Bonds and as the Mayor may approve (the "Official Statement"). The execution of the Official Statement by the Mayor shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.22. Bond Purchase Agreement. The Series 2018 B Bonds shall be sold to the Original Purchaser pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the said Bond Purchase Agreement in such form as may be approved by the Supplemental Resolution, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the said Bond Purchase Agreement to the Original Purchaser.

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2018 B Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2018 B Bond; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or Supplemental Resolution or in the Series 2018 B Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Bond Insurer; or

(C) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(D) If default occurs with respect to the Prior Bonds, the Prior Ordinances or any hereinafter issued Additional Parity Bonds or the respective ordinance authorizing the any hereinafter issued Additional Parity Bonds.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder (with the prior written consent of the applicable Bond Insurer) or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Series 2018 B Bonds, as applicable;

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute, all pro rata, with respect to the Prior Bonds and the Series 2018 B Bonds, in accordance with the respective principal amounts then Outstanding.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall be made without the prior written consent of the applicable Bond Insurer or shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the Combined Utility System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Series 2018 B Bonds and the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the Combined Utility System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of said Combined Utility System and shall hold, operate, maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Series 2018 B Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Gross Revenues of the Combined Utility System shall have been paid and made good, and all defaults under the provisions of this Ordinance and any Supplemental Resolution shall have been cured and made good, and all monies due hereunder or under any Supplemental Resolution have been paid in full, possession of the Combined Utility System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the Combined Utility System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Holders of the Series 2018 B Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the Combined Utility System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the Combined Utility System, for the sole purpose of the protection of both the Issuer and the Holders of the Series 2018 B Bonds, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said Combined Utility System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the Combined Utility System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Holders of the Series 2018 B Bonds will be adversely affected by any action taken pursuant to the

terms and provisions of this Ordinance, any trustee or Bondholder's committee representing the Holders of the Series 2018 B Bonds shall consider the effect on the Holders of the Series 2018 B Bonds as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Holders of the Series 2018 B Bonds. In case any Holder of the Series 2018 B Bonds shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Holder of the Series 2018 B Bonds shall be restored to their former positions and rights hereunder, and all rights and remedies of such Holder of the Series 2018 B Bonds shall continue as if no such proceedings had been taken.

ARTICLE VIII
REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2018 B Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2018 B Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2018 B Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2018 B Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2018 B Bonds, the first exchange of Series 2018 B Bonds and the exchange of Series 2018 B Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2018 B Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the

Series 2018 B Bonds, or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2018 B Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than sixty (60) days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within twenty (20) days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately; provided, that in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer or by the Holders of a majority in principal amount of the Series 2018 B Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the applicable Bond Insurer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided, that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2018 B Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within twenty (20) days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within forty-five (45) days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted, or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any

public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Series 2018 B Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The West Virginia Municipal Bond Commission shall initially serve as Paying Agent as required by the Act. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2018 B Bonds shall be and remain DTC-Eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from monies available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within thirty (30) days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All monies received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX
DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2018 B Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, and all other monies due hereunder have been paid, then this Ordinance and the pledges of the Gross Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2018 B Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2018 B Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2018 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2018 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2018 B Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Series 2018 B Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2018 B Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Series 2018 B Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X
MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2018 B Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2018 B Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Holder of the Series 2018 B Bonds or other person, be amended, modified or supplemented in any manner which, in the written opinion of Bond Counsel, does not materially adversely affect the interests of the Holder of the Series 2018 B Bonds or any Bond Insurer; provided, that in the event any of the Series 2018 B Bonds are insured, no such amendment or modification which

affects the rights of the applicable Bond Insurer for such Series 2018 B Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made (i) without the written consent of the Holders of 60% in aggregate principal amount of the Series 2018 B Bonds then Outstanding and affected thereby; or (ii) the Bond Insurer. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2018 B Bond without the express written consent of the Holder of such Series 2018 B Bond, nor reduce the percentage of Series 2018 B Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Series 2018 B Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Series 2018 B Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Series 2018 B Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Series 2018 B Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2018 B Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

ISSUER

The City of Morgantown
389 Spruce Street
Morgantown, West Virginia 26505
Attention: City Manager

With copy to:

Morgantown Utility Board
278 Greenbag Road
Morgantown, WV 26501
Attention: General Manager

REGISTRAR

[Name(s) and address(s) to be set forth in Supplemental Resolution]

PAYING AGENT

West Virginia Municipal Bond Commission
900 Pennsylvania Avenue
Suite 1117
Charleston, West Virginia 25302
Attn: Executive Director

DEPOSITORY BANK

[Name(s) and address(s) to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER

[Name(s) and address(s) to be set forth in Supplemental Resolution]

BOND INSURER

[Name(s) and address(es) to be set forth in the Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Council, the Board or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any of the Series 2018 B Bonds, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Series 2018 B Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2018 B Bonds, the applicable Bond Insurer, if any, and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2018 B Bonds, the Bond Insurer and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headlines. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Dominion Post*, a newspaper published and having a general circulation in The City of Morgantown, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2018 B Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 3rd day of January, 2017, at 7:00 p.m., in the Council Chambers of the City Hall, Morgantown and present protests, and that a certified copy of this

Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

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Section 10.14. Effective Date. This Ordinance shall become effective following public hearing hereon in accordance with the Act.

First Reading:	December 6, 2016
Second Reading:	December 20, 2016
Effective following Public Hearing held on:	January 3, 2017

THE CITY OF MORGANTOWN

_____
Mayor

[SEAL]

ATTEST:

_____
City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of THE CITY OF MORGANTOWN at a regular meeting of the City Council held on January 3, 2017, as supplemented by Supplemental Resolution duly adopted June 5, 2018.

Dated this ____ day of June, 2018.

[SEAL]

_____
City Clerk

EXHIBIT A – FORM OF SERIES 2018 B BONDS

[DTC Legend]

No. BR-_____

$_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN (WEST VIRGINIA)
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
_____%	_____	_____	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF MORGANTOWN (West Virginia), a political subdivision and municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Series 2018 B Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Series 2018 B Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Series 2018 B Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Interest accruing on this Series 2018 B Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a

default in the payment of Series 2018 B Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2018 B Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Series 2018 B Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B" (the "Series 2018 B Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2018, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer: (i) to pay a portion of the Costs of design, acquisition, construction and equipping of the Project; (ii) [to pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2018 B Bonds;] (iii) [to fund a reserve account for the Series 2018 B Bonds/to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2018 B Bonds] in an amount equal to the Series 2018 B Bonds Reserve Requirement; and (iv) to pay certain costs of issuance of the Series 2018 B Bonds and related costs. The Series 2018 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on February 2, 2016, and supplemented by a supplemental resolution adopted by said City Council on June 5, 2018 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2018 B Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2018 B Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Morgantown, West Virginia.

[The Series 2018 B Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Bond Insurer] .]

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE FOLLOWING COMBINED UTILITY SYSTEM REVENUE BONDS OF THE ISSUER (COLLECTIVELY, THE “PRIOR BONDS”):

(1) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,842,000 (THE “SERIES 2000 A BONDS”);

(2) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2000 B (WEST

VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,488,000 (THE "SERIES 2000 B BONDS");

(3) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $6,410,191 (THE "SERIES 2006 A BONDS");

(4) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,500,000 (THE "SERIES 2007 A BONDS");

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $37,950,000 (THE "SERIES 2010 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

(7) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $9,317,286 (THE "SERIES 2010 D BONDS");

(8) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 E (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 E BONDS");

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $7,250,000 (THE "SERIES 2010 F BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2014 B DATED JULY 23, 2014, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,421 (THE "SERIES 2014 B BONDS");

(13) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $137,568 (THE "SERIES 2015 A BONDS");

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 31, 2015, ISSUED IN THE

ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,586 (THE "SERIES 2015 B BONDS");

(15) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 C (WEST VIRGINIA SRF PROGRAM), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,111,813 (THE "SERIES 2015 C BONDS");

(16) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 D (WEST VIRGINIA SRF PROGRAM), DATED MARCH 31, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,688,394 (THE "SERIES 2015 D BONDS");

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2015 E (WEST VIRGINIA SRF PROGRAM), DATED JUNE 11, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $662,300 (THE "SERIES 2015 E BONDS");

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 A, DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $69,755,000 (THE "SERIES 2016 A BONDS");

(19) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2016 B-1 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 1, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,000,000 (THE "SERIES 2016 B-1 BONDS");

(20) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2017 A (BANK QUALIFIED), DATED DECEMBER 21, 2017, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,695,000 (THE "SERIES 2017 A BONDS"); AND

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A1 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS", COLLECTIVELY, THE "PRIOR BONDS").

The Series 2018 B Bonds are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on and after _____, 20____, are subject to redemption prior to maturity at the option of the Issuer on or after _____, 20_____, in whole at any time and in part on any Interest Payment Date, as directed by the Issuer, in reverse order of maturity and by lot within a maturity, at the following Redemption Prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Series 2018 B Bonds maturing on _____, 20_____ and 20_____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of

the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 1, 20

Year (1)	Principal Amount

---

* Final Maturity

In the event of any redemption of less than all outstanding Series 2018 B Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2018 B Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2018 B Bonds are to be redeemed, the Series 2018 B Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2018 B Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Series 2018 B Bond or Series 2018 B Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2018 B Bonds or portions of Series 2018 B Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2018 B Bonds or portions of Series 2018 B Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2018 B Bond.

The Series 2018 B Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the Combined Utility System, on a parity in all respects with the pledge of the Gross Revenues created in favor of the holders of the Prior Bonds, all monies in the Series 2018 B Bonds Sinking Fund, and the Series 2018 B Bonds Reserve Account therein, established under the Ordinance, and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund, and the Issuer hereby and in the Ordinance pledges such revenues and monies to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Series 2018 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to

pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2018 B Bonds Sinking Fund and the Series 2018 B Bonds Reserve Account and the unexpended proceeds of the Series 2018 B Bonds, including monies in the Series 2018 B Bonds Construction Fund. Pursuant to the Ordinance, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Combined Utility System and the services rendered thereby, which shall be sufficient, together with other revenues of the Combined Utility System, to provide for the reasonable expenses of operation, repair and maintenance of the Combined Utility System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2018 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2018 B Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2018 B Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Series 2018 B Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Series 2018 B Bonds except for accrued interest thereon shall be applied solely to pay a portion of the Costs of Project, [pay the premium for a Municipal Bond Insurance Policy to secure the payment of the principal of and interest on the Series 2018 B Bonds], [fund a reserve account for the Series 2018 B Bonds/pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy] in amount equal to the Series 2018 B Bonds Reserve Requirement, and pay Costs of Issuance of the Series 2018 B Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2018 B Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2018 B Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2018 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the Combined Utility System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2018 B Bonds of which this Series 2018 B Bond is one.

This Series 2018 B Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Series 2018 B Bond and the income there from are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2018 B Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, as defined on the reverse hereof, and the statutes under which this Series 2018 B Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2018 B Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2018 B Bond to be dated as of the Series 2018 B Bond Date specified above.

[SEAL]

[Manual or facsimile signature]
Mayor

ATTEST:

[Manual or facsimile signature]
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2018 B Bond is one of the fully registered Series 2018 B Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2018 B Bonds.

Dated: _____, 2018.

_____,
As Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Bond Insurance Legend]

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, 20____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Debt Service Reserve Insurance Policy relating to the Bonds (the "Reserve Policy") in the form attached hereto as Exhibit A.

The Reserve Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM does not guarantee the market price or liquidity of bonds (including the Bonds), nor does it guarantee that the rating on bonds (including the Bonds) will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2017 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were
$515 million, $87.7 million and $427.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY".

Exhibit A

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY (SA)

Policy No: _____

ISSUER: [NAME OF ISSUER]

Effective Date: ___

MEMBER: [NAME OF MEMBER]

Risk Premium: $_____

Member Surplus Contribution: $_____

BONDS: [Bonds]

Total Insurance Payment: $_____

MAXIMUM POLICY LIMIT: $_____

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BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be

reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "**Business Day**" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. "**Debt Service Reserve Agreement**" means the Debt Service Reserve Agreement, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time. "**Due for Payment**" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "**Nonpayment**" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "**Notice**" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy or other acceptable electronic delivery, from and signed by the Trustee or the Paying Agent, which notice shall be in a form and substance satisfactory to BAM and shall specify and include (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions, (e) the date such claimed amount becomes or became Due for Payment, (f) representations and agreements regarding the assignment and subrogation rights of BAM, and (g) such other provisions as BAM may reasonably require. A form of such Notice can be obtained from BAM upon request. "**Owner**" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "**Policy Limit**" means the lesser of (i) Maximum Policy Limit set forth above and (ii) the dollar amount of the debt service reserve fund (or the portion thereof) required to

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be maintained for the Bonds by the Security Documents from time to time (the "Reserve Account Requirement"). The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement applicable to the Bonds, as provided in the Security Documents. "**Security Documents**" means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement or any similar document and any additional or supplemental document executed in connection with the Bonds. "**Term**" means the period from and including the Effective Date until the Termination Date. "**Termination Date**" means the earlier to occur of (i) the date on which the Bonds are no longer outstanding under the Security Documents and (ii) _____ [date].

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

SPECIMEN

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy: 212-235-1524 (attention: Claims)

SPECIMEN

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No._____(the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy, or if not defined therein, in the Debt Service Reserve Agreement.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Debt Service Reserve Agreement and, as of the date hereof, the Policy Limit is $_____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Name:
Title:

SPECIMEN

APPENDIX H

SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

ISSUER: ISSUER_NAME, STATE_NAME

Policy No:

MEMBER: MEMBER_COMPANY, STATE_NAME

Effective Date:

BONDS: $_____ in aggregate principal amount of
,

Risk Premium: $_____
Member Surplus Contribution: $_____
Total Insurance Payment: $_____

Maximum Policy Limit: $

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

SPECIMEN

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. If the amount payable under this Policy is also payable under another BAM issued policy insuring the Bonds, payment first shall be made under this Policy to the extent of the amount available under this Policy up to the Policy Limit. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "**Business Day**" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. "**Debt Service Reserve Agreement**" means the Debt Service Reserve Agreement, if any, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time. "**Due for Payment**" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "**Nonpayment**" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. **"Notice"** means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "**Owner**" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. **"Policy Limit"** means the dollar

SPECIMEN

amount of the debt service reserve fund required to be maintained for the Bonds by the Security Documents from time to time (the "Reserve Account Requirement"), or the portion of the Reserve Account Requirement for the Bonds provided by this Policy as specified in the Security Documents or Debt Service Reserve Agreement, if any, but in no event shall the Policy Limit exceed the Maximum Policy Limit set forth above. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of or, if this Policy is only providing a portion of the Reserve Account Requirement, in the same proportion as, each reduction in the Reserve Account Requirement, as provided in the Security Documents or Debt Service Reserve Agreement. **"Security Documents"** means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement and any additional or supplemental document executed in connection with the Bonds. "**Term**" means the period from and including the Effective Date until the earlier of (i) the maturity date for the Bonds and (ii) the date on which the Bonds are no longer outstanding under the Security Documents.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy is being issued under and pursuant to and shall be construed under and governed by the laws of the State of New York, without regard to conflict of law provisions.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

SPECIMEN

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Schedule

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN

EXHIBIT A

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. _____ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Security Documents or Debt Service Reserve Agreement, if any, and, as of the date hereof, the Policy Limit is $_____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By:_____
Name:
Title:

SPECIMEN

$44,260,000
THE CITY OF MORGANTOWN
COMBINED UTILITY REVENUE BONDS, SERIES 2018 B (TAX EXEMPT)

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies this 21st day of June, 2018 and represents to Merrill Lynch, Pierce, Fenner & Smith Incorporated and Crews & Associates, Inc. (collectively, the "Underwriters") that he is the duly appointed and acting Mayor of The City of Morgantown (the "Issuer") authorized to execute and deliver this Certificate and further certifies on behalf of the Issuer to the Underwriter as follows:

(1) This Certificate is delivered to enable the Underwriter to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of the Issuer's $44,260,000 Combined Utility Revenue Bonds, Series 2018 B (the "Series 2018 B Bonds").

(2) In connection with the offering and sale of the Series 2018 B Bonds, there has been prepared a Preliminary Official Statement dated June 8, 2018, setting forth information concerning the Series 2018 B Bonds and the Issuer of the Series 2018 B Bonds (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, the identity of the Underwriter and other terms of the Series 2018 B Bonds and any underlying obligations depending on such matters, all with respect to the Series 2018 B Bonds and any underlying obligations.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, final as of its date, and the information therein is accurate and complete except for the Permitted Omissions.

(5) If, at any time prior to the execution of the final bond purchase agreement, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall promptly notify the Underwriter thereof.

IN WITNESS WHEREOF, I have hereunto set my hand as of the day and year first written above.

THE CITY OF MORGANTOWN

Mayor

$44,260,000
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS
SERIES 2018 B (TAX-EXEMPT)

BOND PURCHASE AGREEMENT

June 21, 2018

The City of Morgantown
389 Spruce Street, 3rd Floor
Morgantown, WV 26505

Ladies and Gentlemen:

Merrill Lynch, Pierce, Fenner & Smith Incorporated, (the "Representative") on behalf of itself and Crews & Associates, Inc. (collectively, with the Representative, the "Underwriters") hereby offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with The City of Morgantown, a political subdivision and municipal corporation duly organized and validly existing under and pursuant to the laws of the State of West Virginia (the "Issuer"), whereby the Underwriters will purchase and the Issuer will sell the Bonds (as defined and described below). The Underwriters are making this offer subject to the acceptance by the Issuer at or before 5:00 P.M., prevailing Eastern Time, on the date hereof. If the Issuer accepts this Purchase Agreement, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind both the Issuer and the Underwriters. The Underwriters may withdraw this Purchase Agreement upon written notice delivered by the Representative to the Mayor of the Issuer at any time before the Issuer accepts this Purchase Agreement. Terms used but not defined in this Purchase Agreement are defined in the Authorizing Ordinance (as defined below).

1. Purchase and Sale. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the following bonds: The City of Morgantown Combined Utility System Revenue Bonds, Series 2018 B (Tax-Exempt) (the "Bonds"), at the purchase price of $48,159,050.92, representing the principal amount of the Bonds less an Underwriter's discount of $190,069.98 plus net original issue premium of $4,089,120.90.

The Issuer acknowledges and agrees that: (i) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the Issuer and the Underwriters and the Underwriters have financial and other interests that differ from those of the Issuer; (ii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the Issuer and have not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading

thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Issuer on other matters); (iii) the only obligations the Underwriters have to the Issuer with respect to the transaction contemplated hereby are expressly set forth in this Purchase Agreement; and (iv) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

2. Description and Purpose of the Bonds. The Bonds have been authorized pursuant to Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act") and a bond ordinance, enacted by the City Council of the Issuer on January 3, 2017 (the "Ordinance"), as supplemented by a supplemental parameters resolution adopted by the City Council on June 5, 2018 (the "Supplemental Parameters Resolution"), and a Certificate of Determinations executed by the Mayor on June 21, 2018 (the "Certificate of Determinations" and together with the Ordinance and the Supplemental Parameters Resolution, collectively the "Authorizing Ordinance"). The Bonds shall be dated the date of delivery.

(a) The proceeds of the sale of the Bonds will be used to provide funds, along with available funds of the Combined Utility System (herein defined): (i) to pay the costs of design, acquisition, construction and equipping of certain additions, betterments and improvements for the Stormwater System of the Combined Utility System, and provide funds, along with available funds generated by the Water System of the Combined Utility System, to pay the costs of design, acquisition, construction and equipping of certain additions, betterments and improvements to the Water System, specifically including, but not limited to, the design, acquisition, construction and equipping of a new raw water reservoir and raw water transmission line from the new reservoir to the water treatment plant, and either, both or none of the following depending upon the availability of funds: (A) the acquisition and installation of emergency generators to serve certain facilities in the Water System; and/or (B) the design, acquisition, construction and equipping of extensions, betterments and improvements of certain water treatment plant assets, distribution lines, pump stations and storage tanks, and all necessary appurtenances, as determined by the Board (collectively, the "Project"); (ii) to fund the Series 2018 B Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the "Series 2018 B Reserve Policy") from Build America Mutual Assurance Company ("BAM" or the "Bond Insurer"); and (iii) to pay costs of issuance of the Bonds and related costs.

The Bonds are special obligations of the Issuer payable solely from and secured by the Gross Revenues as defined in the Authorizing Ordinance derived from the combined potable water, sanitary sewer and stormwater utility system of the Issuer, which is managed, operated and maintained by the Morgantown Utility Board (the "Utility Board"), and any extensions, improvements and betterments thereto, specifically including, but not limited to, the Project (collectively, the "Combined Utility System"), on a parity with the Prior Bonds (defined in the Authorizing Ordinance), and any Additional Parity Bonds (defined in the Authorizing Ordinance) that may be issued by the Issuer, and from funds on deposit in the Series 2018 B Bonds Sinking Fund, the Series 2018 B Reserve Policy pledged to the Series 2018 B Bonds Reserve Account, and the unexpended proceeds of the Bonds.

The Bonds will be secured under the provisions of the Act and the Authorizing Ordinance. The Bonds shall mature in the years, bear interest, be purchased at the prices and be subject to optional and mandatory redemption at the times and in the amounts, all as set forth in Schedule I attached hereto. The Authorized Denominations, Record Dates, Interest Payment Dates, Sinking Fund Payment Dates, and other details and particulars of the Bonds shall be as described in the Certificate of Determinations and the Official Statement (as defined below) of the Issuer.

3. Public Offering. The Underwriters agree to make a *bona fide* public offering of the Bonds at a price not in excess of the initial offering price or prices or yields not less than the yields set forth on the inside cover page of the printed paper form of the Official Statement of the Issuer; *provided, however*, the Underwriters reserve the right to change such initial public offering prices as the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Bonds, and may offer and sell the Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by one or more of the Underwriters, at prices lower than the public offering prices or yields greater than the yields set forth therein. The Representative shall provide to the Issuer a certificate setting forth the offering prices of the Bonds in substantially the form set forth on Exhibit A-1.

4. Delivery of the Official Statement and Other Documents.

(a) The Issuer has delivered or caused to be delivered to the Underwriters copies of the Preliminary Official Statement dated June 8, 2018, which, together with the cover page and appendices thereto, is herein referred to as the "Preliminary Official Statement." It is acknowledged by the Issuer that the Underwriters may deliver the Preliminary Official Statement and a final Official Statement (as hereinafter defined) electronically over the internet and in printed paper form. For purposes of this Purchase Agreement, the printed paper form of the Preliminary Official Statement and the Official Statement are deemed controlling. The Issuer deems the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof.

(b) Within seven (7) business days from the date hereof, and in any event not later than two (2) business days before the Closing Date, the Issuer shall deliver to the Underwriters a final Official Statement relating to the Bonds dated the date hereof (such Official Statement, including the cover page, and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Issuer, Bond Counsel, Disclosure Counsel and the Representative, is referred to herein as the "Official Statement") and such additional conformed copies thereof as the Representative may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the Municipal Securities Rulemaking Board ("MSRB") and to meet potential customer requests for copies of the Official Statement. The Underwriters agree to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the Issuer, with the MSRB on its Electronic Municipal Markets Access ("EMMA") system. The Issuer

shall execute the Official Statement by an authorized officer of the Issuer. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Issuer shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Representative. The Underwriters hereby agree to cooperate and assist in the preparation of the Official Statement. The Issuer hereby agrees to deliver to the Underwriters an electronic copy of the Official Statement in a form that permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission ("SEC"). The Issuer hereby ratifies, confirms and approves the use and distribution by the Underwriters before the date hereof of the Preliminary Official Statement and hereby authorizes the Underwriters to use the Official Statement and the Authorizing Ordinance in connection with the public offering and sale of the Bonds.

(c) In order to assist the Underwriters in complying with Rule 15c2-12, the Issuer will undertake, pursuant to the Disclosure Dissemination Agent Agreement, to be dated as of June 28, 2018 (the "Disclosure Agreement"), by and among the Issuer, the Utility Board and Digital Assurance Certification, L.L.C., ("DAC"), as dissemination agent for the Issuer (the "Dissemination Agent"), to provide annual financial information and notices of the occurrence of specified events. A description of the Disclosure Agreement is set forth in, and a form of such agreement is attached as Appendix F to, the Preliminary Official Statement and the Official Statement.

5. Representations. A. The Issuer represents to and agrees and covenants with the Underwriters that:

(a) The Issuer is duly organized and validly existing, with full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriters pursuant to the Authorizing Ordinance, and execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Bonds, and the Disclosure Agreement (collectively, including the Authorizing Ordinance, the "Legal Documents") and to perform and consummate all obligations and transactions required or contemplated by each of the Legal Documents and the Official Statement.

(b) The Authorizing Ordinance approving and authorizing the execution and delivery by the Issuer of the Legal Documents was duly enacted and adopted at meetings of the City Council of the Issuer called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed.

(c) The Authorizing Ordinance and the Bonds conform to the descriptions thereof contained in the Official Statement and the Bonds, when duly issued and authenticated in accordance with the Authorizing Ordinance and delivered to the Underwriters as provided herein, will be validly issued and outstanding special obligations of the Issuer, entitled to the benefits of the Authorizing Ordinance and payable from the sources therein specified.

(d) The Issuer has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Legal Documents. Each of the Legal Documents

constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. To the best knowledge of the Issuer, each of the Legal Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(e) Except as described in the Official Statement, the Issuer is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any Material Judgment or Agreement; and the enactment of the Authorizing Ordinance, the issuance, delivery and sale of the Bonds and the execution and delivery of the Legal Documents and compliance with and performance of the Issuer's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Combined Utility System or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used herein, the term "Material Judgment or Agreement" means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Act, the Authorizing Ordinance and the Legal Documents).

(f) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the Legal Documents have been obtained; *provided*, that the Issuer makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations.

(g) Any certificates executed by any officer of the Issuer and delivered to the Underwriters pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements therein made.

(h) Between the date hereof and the time of the Closing, the Issuer shall not, without the prior written consent of the Representative, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, with respect to the Combined Utility System except in the course of normal business operations of the Combined Utility System or except for such borrowings as may be described in or contemplated by the Official Statement.

(i) Except for information which is permitted to be omitted pursuant to Rule 15c2-12(b)(1), the Preliminary Official Statement (excluding therefrom the information

under the caption "UNDERWRITING" and "APPENDIX C – BOOK ENTRY ONLY SYSTEM as to which no representations or warranties are made), as of its date and as of the date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) The Official Statement is, as of its date and at all times after the date of the Official Statement (excluding therefrom the information under the caption "UNDERWRITING" and "APPENDIX C – BOOK ENTRY ONLY SYSTEM" as to which no representations or warranties are made) up to and including the Closing Date, will be true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the time of the Closing, the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If between the date hereof and the time of Closing, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Representative thereof, and if, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall promptly (and in any event before the Closing) prepare and furnish (at the expense of the Issuer) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Representative.

(m) Except as described in the Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Issuer or against any other party of which the Issuer has notice or, to the knowledge of the Issuer, threatened against the Issuer, (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Legal Documents, (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Issuer or the validity or effect of the Authorizing Ordinance or the Act or any provision thereof or the application of the proceeds of the Bonds or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Official Statement or any of the Legal Documents. The Issuer shall advise the Representative promptly of the institution of any proceedings known to it by any

governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Bonds.

(n) Except as disclosed in the Official Statement, during the last five years the Issuer has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

B. The Utility Board represents to and agrees and covenants with the Underwriters that:

(a) The financial statements of the Utility Board, as of June 30, 2017, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Combined Utility System as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Representative, there has not been any materially adverse change in the financial condition of the Combined Utility System or in its operations since June 30, 2017 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(b) Any certificates executed by any officer of the Utility Board and delivered to the Underwriters pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Utility Board as to the accuracy of the statements therein made.

All representations, warranties and agreements of the Issuer and the Utility Board shall remain operative and in full force and effect, regardless of any investigations made by any Underwriter or on the Underwriters' behalf, and shall survive the delivery of the Bonds.

6. Closing. At 10:00 A.M., Eastern Time, on June 28, 2018, or at such other time or date as the Representative and the Issuer may mutually agree upon as the date and time of the Closing (the "Closing Date"), the Issuer will deliver or cause to be delivered to the Underwriters, at the offices of Steptoe & Johnson PLLC ("Bond Counsel"), Chase Tower, 17th Floor, 707 Virginia Street, East, Charleston, WV 25301, or at such other place as the Representative and the Issuer may mutually agree upon, the Bonds, through the facilities of The Depository Trust Company, New York, New York ("DTC"), duly executed and authenticated, and the other documents specified in Section 7. At the Closing, (a) upon satisfaction of the conditions herein specified, the Underwriters shall accept the delivery of the Bonds, and pay the purchase price therefor in federal funds payable to the order of the Depository Bank for the account of the Issuer and (b) the Issuer shall deliver or cause to be delivered the Bonds to the Underwriters through the facilities of DTC in definitive or temporary form, duly executed by the Issuer and in the authorized denominations as specified by the Representative at the Closing and the Issuer shall deliver the other documents hereinafter mentioned. The Bonds shall be made available to the Underwriters at least one (1) business day before the Closing Date for purposes of inspection.

7. Conditions Precedent. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and agreements of the Issuer contained herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the Closing Date.

(a) The Underwriters' obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(i) The representations of the Issuer contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(ii) At the time of the Closing, the Official Statement, the Authorizing Ordinance and the Legal Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Representative.

(iii) The Issuer shall perform or have performed all of its obligations required under or specified in the Authorizing Ordinance, the Legal Documents and the Official Statement to be performed at or prior to the Closing.

(iv) The Issuer shall have delivered to the Underwriters the final Official Statement by the time, and in the numbers, required by Section 4 of this Purchase Agreement.

(v) As of the date hereof and at the time of Closing, all necessary official action of the Issuer relating to the Legal Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(vi) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the Issuer, the Act, the Authorizing Ordinance, the Legal Documents or the Gross Revenues of the Combined Utility System as the foregoing matters are described in the Official Statement, which in the reasonable professional judgment of the Representative materially impairs the investment quality of the Bonds.

(vii) At or prior to the Closing, the Representative shall receive the following documents (in each case with only such changes as the Representative shall approve):

(1) The approving opinion of Bond Counsel relating to the Bonds, dated the Closing Date, substantially in the form attached as Appendix D to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriters;

(2) The supplemental opinion of Bond Counsel, addressed to the Underwriters, dated the Closing Date, to the effect that:

(A) This Purchase Agreement has been duly executed and delivered by the Issuer and is a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally, to the application of equitable principles, the exercise of

judicial discretion and the limitations on legal remedies against public entities in the State of West Virginia;

(B) The statements contained in the Official Statement on the cover page and in the sections entitled "INTRODUCTION," "PURPOSE AND PLAN OF FINANCING," "THE SERIES 2018 B BONDS," and "SECURITY FOR THE SERIES 2018 B BONDS," insofar as such statements expressly summarize certain provisions of the Authorizing Ordinance, the Bonds, and the form and content of the approving opinion of Bond Counsel attached as Appendix D to the Official Statement, are accurate in all material respects;

(C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "1933 Act") and the Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); and

(D) The Series 2018 B Reserve Policy is in full force and effect.

(3) The opinion of Steptoe & Johnson PLLC, Disclosure Counsel, dated the date of closing and addressed to the Underwriters, to the effect that:

(A) The Disclosure Agreement in all material respects satisfies Section (b)(5)(i) of Rule 15c2-12;

(B) Based upon the information made available to them in the course of their participation in the preparation of the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Official Statement, and having made no independent investigation or verification thereof, nothing has come to their attention which would lead them to believe that the Official Statement as of its date and as of the Closing Date (excluding therefrom any information in the Official Statement relating to DTC, the operation of the book-entry system or any other financial or statistical data or projections or estimates or expressions of opinion included in the Official Statement and the appendices thereto, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(4) The opinion of Steptoe & Johnson PLLC, Counsel to the Issuer, dated the date of the Closing and addressed to the Underwriters, to the effect that:

(A) The Issuer has been duly organized and is validly existing under the Constitution and laws of the State of West Virginia, and has all

requisite power and authority thereunder: (a) to enact the Authorizing Ordinance, and to enter into, execute, deliver and perform its covenants and agreements under the Legal Documents; (b) to approve and authorize the use, execution and distribution of the Preliminary Official Statement and the Official Statement; (c) to issue, sell, execute and deliver the Bonds; (d) to pledge the Gross Revenues as contemplated by the Legal Documents; and (e) to carry on its activities as currently conducted;

(B) The Issuer has taken all actions required to be taken by it before the Closing Date material to the transactions contemplated by the documents mentioned in paragraph (a) above, and the Issuer has duly authorized the execution and delivery of, and the due performance of its obligations under, the Legal Documents;

(C) The Authorizing Ordinance was duly enacted by the City Council of the Issuer at meetings of the City Council of the Issuer which were called and held pursuant to law and with all required notices and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the enactment and/or adoption of the Authorizing Ordinance;

(D) The enactment and/or adoption of the Authorizing Ordinance, the execution and delivery by the Issuer of the Legal Documents and the compliance with the provisions of the Legal Documents do not and will not conflict with or violate in any material respect any West Virginia constitutional, statutory or regulatory provision or, to the best of such counsel's knowledge after due inquiry, conflict with or constitute on the part of the Issuer a material breach of or default under any agreement or instrument to which the Issuer is a party or by which it is bound;

(E) The Legal Documents constitute legal, valid and binding obligations of the Issuer and are enforceable according to the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally, and by the application of equitable principles if equitable remedies are sought, by the exercise of judicial discretion and the limitations on legal remedies against public entities in the State;

(F) No litigation is pending or, to the best of such counsel's knowledge after due inquiry, threatened against the Issuer in any court in any way affecting the titles of the officials of the Issuer to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues pledged or to be pledged to pay the principal of and

interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Authorizing Ordinance or the Legal Documents, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Issuer or its authority with respect to the Authorizing Ordinance or the Legal Documents;

(G) The information contained in the Official Statement under the captions "THE ISSUER AND THE MORGANTOWN UTILITY BOARD," "LITIGATION" and "CONTINUING DISCLOSURE" does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(H) To the best of such counsel's knowledge after due inquiry, no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Issuer of the Legal Documents and the authorization and distribution of the Preliminary Official Statement and the Official Statement (provided that no opinion need be expressed as to any action required under state securities or Blue Sky laws in connection with the purchase of the Bonds by the Underwriters); and

(I) To the best of such counsel's knowledge after due inquiry, the Issuer is not in breach of or default under any applicable law or administrative regulation of the State of West Virginia or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially adversely affect the Issuer's ability to enter into or perform its obligations under the Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the Issuer's ability to enter into or perform its obligations under the Legal Documents;

(5) The opinion of Timothy Stranko, Esquire, counsel to the Utility Board, dated the date of Closing and addressed to the Underwriters, to the effect:

(A) No litigation is pending or, to his knowledge, threatened in any court in any way affecting the existence of the Utility Board or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Bonds, or the collection

of revenues and assets of the Combined Utility System pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or the construction of the Project, or any transaction described in or contemplated by the Official Statement;

(B) That the Official Statement, as amended or supplemented to the date of Closing (except as aforesaid) contains no untrue statement regarding the Utility Board and/or the Combined Utility System of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein regarding the Utility Board, in light of the circumstances under which they were made, not misleading;

(C) The statements contained in the Official Statement under the captions "PURPOSE AND PLAN OF FINANCING," "THE ISSUER AND THE MORGANTOWN UTILITY BOARD," "MUB PENSION OBLIGATIONS," "THE COMBINED UTILITY SYSTEM," "MUB CAPITAL IMPROVEMENT PROGRAM," "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES," "LITIGATION," "LEGAL MATTERS" and "CONTINUING DISCLOSURE," insofar as such statements contained under such captions relate to the Utility Board and/or the Combined Utility System, or purport to summarize certain matters set forth therein, are accurate and present a fair summary of the matters referred to therein; and

(D) Any opinion as to legal matters as the Underwriters shall reasonably require.

(6) The opinion of Jackson Kelly PLLC, counsel to the Underwriters, dated the date of the Closing and addressed to the Underwriters, and covering such matters as the Representative may reasonably request;

(7) A certificate, dated the Closing Date, signed by the Mayor and/or City Manager of the Issuer to the effect that: (a) the representations and agreements of the Issuer contained herein are true and correct in all material respects as of the date of the Closing; (b) the Legal Documents have been duly authorized and executed and are in full force and effect; (c) except as described in the Official Statement, no litigation is pending or, to the Mayor's knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Authorizing Ordinance or any Legal Document, (iii) in any way contesting the creation, existence or powers of the Issuer or the validity or effect of the Act or any provision thereof or the application of the proceeds of the Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Official Statement or any or all

of the Legal Documents; and (d) the Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(8) A certificate, dated the Closing Date, signed by the Chairman of the Utility Board, in form and substance satisfactory to the Underwriters, to the effect that (a) the financial statements of the Utility Board as of June 30, 2017 fairly represent the receipts, expenditures, assets, liabilities and cash balances of the Combined Utility System and, insofar as presented, other funds of the Combined Utility System as of the dates and for the periods therein set forth; (b) except as disclosed in the Official Statement, since June 30, 2017, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the Combined Utility System and the Combined Utility System has not incurred since June 30, 2017, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; (c) the representations and agreements of the Utility Board contained herein are true and correct in all material respects as of the date of the Closing; (d) except as described in the Official Statement, no litigation is pending or, to the Chairman's knowledge, threatened (i) seeking to restrain or enjoin the Project, (ii) in any way contesting the creation, existence or powers of the Utility Board or the validity or effect of the Act or any provision thereof or the application of the proceeds of the Bonds, or (iii) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Utility Board or the Combined Utility System or the transactions contemplated by the Official Statement or any or all of the Legal Documents; and (e) the Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(9) Executed or certified copies of the Authorizing Ordinance;

(10) Executed or certified copies of each of the other Legal Documents;

(11) A Tax Certificate of the Issuer, in form satisfactory to Bond Counsel, executed by such officials of the Issuer as shall be satisfactory to the Representative;

(12) Evidence satisfactory to the Representatives of the assignment of long-term ratings assigned to the Bonds by S&P Global Ratings Services, a division of the McGraw-Hill Companies, Inc. ("S&P") and Moody's Investor Service, Inc. ("Moody's");

(13) A certificate from Perry and Associates, Certified Public Accountants, A.C., that the Issuer has Gross Revenues sufficient to meet the rate

coverage requirements of the Ordinance and meet the additional parity bonds test of each of the Prior Ordinances (as defined in the Authorizing Ordinance);

(14) Evidence that a Form 8038-G relating to the Bonds has been executed by the Issuer and will be filed with the Internal Revenue Service (the "IRS") within the applicable time limit:

(15) A copy of the Blue Sky Survey with respect to the Bonds;

(16) A copy of the Issuer's executed Blanket Letter of Representation to The Depository Trust Company;

(17) Executed copies of the Disclosure Agreement, in form and substance satisfactory to the Underwriters and Underwriters' Counsel;

(18) Evidence that the Issuer has adopted a formal post issuance compliance policy sufficient to allow the Issuer to check boxes 43 and 44 on Form 8038-G;

(19) The Series 2018 B Reserve Policy;

(20) Evidence that the Issuer has received bids for the Project compatible with the Plan of Finance; and

(21) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative, counsel for the Underwriters or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and all conditions precedent to the issuance of Additional Parity Bonds pursuant to the Prior Ordinances shall have been fulfilled.

8. Termination. If the Issuer shall be unable to satisfy the conditions of the Underwriters' obligations contained in this Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Representative at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Representative to the Issuer in writing, or by telephone confirmed in writing. The performance by the Issuer of any and all conditions contained in this Purchase Agreement for the benefit of the Underwriters may be waived by the Representative.

(a) The Underwriters shall also have the right, before the time of Closing, to cancel their obligations to purchase the Bonds, by written notice by the Representative to the Issuer, if between the date hereof and the time of Closing:

(i) Any event or circumstance occurs or information becomes known, which, in the professional judgment of the Representative, makes untrue any statement of a material fact set forth in the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(ii) The market for the Bonds or the market prices of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds shall have been materially and adversely affected, in the professional judgment of the Representative, by:

(1) An amendment to the Constitution of the United States or the State of West Virginia shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of West Virginia or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of West Virginia authority, with respect to federal or State of West Virginia taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Bonds which, in the judgment of the Representative, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the Issuer, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by State of West Virginia legislation; or

(2) The declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States; or

(3) The declaration of a general banking moratorium by federal, New York or West Virginia authorities; or

(4) The occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market; or

(5) Additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(6) The general suspension of trading on any national securities exchange; or

(iii) Legislation enacted, introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that the Bonds, other securities of the Issuer or obligations of the general character of the Bonds are not exempt from registration under the 1933 Act, or that the Ordinance is not exempt from qualification under the Trust Indenture Act; or

(iv) Any change in or particularly affecting the Issuer, the Act, the Authorizing Ordinance, the Legal Documents or the Gross Revenues as the foregoing matters are described in the Official Statement, which in the professional judgment of the Representative materially impairs the investment quality of the Bonds; or

(v) An order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(vi) A stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, or the execution and delivery of any Legal Documents, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the 1933 Act, the Securities Exchange Act of 1934 or the Trust Indenture Act, each as amended and as then in effect; or

(vii) Any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or

affecting any authority for or the validity of the proceedings authorizing and approving the Act, the Authorizing Ordinance, the Legal Documents or the existence or powers of the Issuer with respect to its obligations under the Legal Documents; or

(viii) A reduction or withdrawal in any of the following assigned ratings, or, as of the Closing Date, the failure by any of the following rating agencies to assign the following ratings, to the Bonds: the long-term ratings assigned by S&P and Moody's.

9. Amendments to Official Statement. During the period commencing on the Closing Date and ending twenty-five (25) days from the end of the underwriting period, the Issuer shall advise the Representative if any event relating to or affecting the Official Statement shall occur as a result of which it may be necessary or appropriate to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser or "potential customer" (as defined for purposes of Rule 15c2-12). If any such event occurs and in the reasonable judgment of the Representative and the Issuer, an amendment or supplement to the Official Statement is appropriate, the Issuer shall, at its expense, forthwith prepare and furnish to the Underwriters a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) that will amend or supplement the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser or "potential customer," not misleading.

10. Expenses. All expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters, including the costs of printing or reproduction of the Bonds, the Legal Documents and the Official Statement in reasonable quantities, fees of consultants, fees of rating agencies, advertising expenses, fees of the Dissemination Agent and fees and expenses of the municipal advisor, fees and expenses of counsel to the Issuer, the Utility Board, Disclosure Counsel and Bond Counsel, shall be paid by the Issuer from the proceeds of the Bonds or other revenues of the Issuer. The Issuer shall be solely responsible for and shall pay for any expenses incurred by the Underwriters on behalf of the Issuer's employees and representatives which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees and representatives. All expenses and costs of the Underwriters incurred under or pursuant to this Purchase Agreement, including, without limitation, the cost of preparing this Purchase Agreement and other Underwriter documents, travel expenses and the fees and expenses of counsel to the Underwriters, shall be paid by the Underwriters (which may be included as an expense component of the Underwriter's discount).

11. Use of Documents. The Issuer hereby authorizes the Underwriters to use, in connection with the public offering and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Legal Documents, and the information contained herein and therein.

12. Qualification of Securities. The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the

Representative may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and to provide for the continuance of such qualification; *provided, however*, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

13. Notices. Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing to Attention: City Manager, 389 Spruce Street, 3rd Floor, Morgantown, WV 26505, and copied to Morgantown Utility Board, Attention: General Manager, 278 Greenbag Road, Morgantown, WV 26501, and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to Attention: Underwriting, One Bryant Park, 12th Floor, New York, NY 10036.

14. Issue Price. (a) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate substantially in the form attached hereto as Exhibit A-1, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. Additionally, each of the Underwriters (an "Underwriter"), other than the Representative, and each member of any selling group created in connection with the sale of the Bonds to the public listed on Schedule A hereto, shall execute and deliver to the Issuer on or before Closing, a certificate substantially in the form of Exhibit A-2, with such modifications as may be appropriate or necessary, in the reasonably judgment of the Representative, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) The Issuer will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test).

(c) With respect to the maturities of the Bonds for which the 10% test has not been satisfied, set forth on Schedule A of the attached Exhibit A-1, the Representative, on behalf of the Underwriters, agrees that the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public (the "hold-the-offering-price rule").

The Issuer acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement, to which the Representative is a party, relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public Bonds of any maturity subject to the 10% test and (B) comply with the hold-the-offering-price rule, if and for so long as directed by the Representative, and

(ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public Bonds of any maturity subject to the 10% test and (B) comply with the hold-the-offering-price rule, if and for so long as directed in the applicable pricing wires.

15. Benefit. This Purchase Agreement is made solely for the benefit of the Issuer, the Utility Board and the Underwriters (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Issuer contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement, other than pursuant to Section 8.

16. Attorneys' Fees. In the event of a dispute arising under this Purchase Agreement, the prevailing party shall have the right to collect from the other party its reasonable costs and

necessary disbursements and attorneys' fees incurred in enforcing this Purchase Agreement provided, however, the obligation of the Issuer and/or Utility Board to pay the reasonable costs and necessary disbursements and attorneys' fees of any other party to this Purchase Agreement shall be governed, and may be limited by, the laws of the State of West Virginia.

17. Governing Law. THIS PURCHASE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER THAN NEW YORK GENERAL OBLIGATIONS LAWS SECTION 5-1401 AND 5-1402); PROVIDED, HOWEVER, THAT THE OBLIGATIONS OF THE ISSUER AND THE UTILITY BOARD SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WEST VIRGINIA.

18. Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

[Remainder of page intentionally left blank]

Very truly yours,

By:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
as Representative

By: _____

Its: MANAGING DIRECTOR

Approved and Agreed to: June 21 2018

Time: 4:00 pm

THE CITY OF MORGANTOWN (WEST VIRGINIA)

By: _____

Its: Mayor

As to the representations, covenants and acceptance of certain obligations under this Agreement on behalf of the Utility Board:

MORGANTOWN UTILITY BOARD

By: _____

Its: Chairman

Very truly yours,

By:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
as Representative

By:_____

Its: _____

Approved and Agreed to: June 21, 2018

Time: 4:00 PM

THE CITY OF MORGANTOWN (WEST VIRGINIA)

By: John A. Law

Its: Mayor

As to the representations, covenants and acceptance of certain obligations under this Agreement on behalf of the Utility Board:

MORGANTOWN UTILITY BOARD

By: _____

Its: Chairman

SCHEDULE I

Principal Amounts, Interest Rates and Prices

$15,830,000 Series 2018 B Serial Bonds

Maturity Date	Amount	Rate	Yield	Price
12/1/2019	$970,000	5.000%	1.620%	104.741
12/1/2020	$485,000	5.000%	1.800%	107.558
12/1/2021	$535,000	5.000%	1.970%	109.986
12/1/2022	$585,000	5.000%	2.090%	112.236
12/1/2023	$645,000	5.000%	2.240%	114.023
12/1/2024	$190,000	3.000%	2.420%	103.430
12/1/2025	$220,000	3.000%	2.570%	102.888
12/1/2026	$255,000	3.000%	2.710%	102.170
12/1/2027	$295,000	3.000%	2.830%	101.396
12/1/2028	$335,000	3.000%	2.940%	100.511*
12/1/2029	$385,000	3.000%	3.080%	99.232
12/1/2030	$435,000	3.125%	3.220%	99.031
12/1/2031	$495,000	3.125%	3.260%	98.540
12/1/2032	$990,000	3.250%	3.360%	98.748
12/1/2033	$1,215,000	5.000%	3.110%	116.030*
12/1/2034	$1,330,000	5.000%	3.160%	115.568*
12/1/2035	$1,430,000	3.500%	3.600%	98.711
12/1/2036	$1,540,000	5.000%	3.230%	114.925*
12/1/2037	$1,675,000	5.000%	3.270%	114.559*
12/1/2038	$1,820,000	5.000%	3.290%	114.376*

$19,585,000 5.000% Term Bond Maturing December 1, 2043 at 3.410% Yield 113.290* Price

$8,845,000 4.000% Term Bond Maturing December 1, 2048 at 3.900% Yield 100.814* Price

* Priced to an optional call date of June 1, 2028.

Optional and Mandatory Redemption

Optional Redemption

The Series 2018 B Bonds are subject to redemption at par or at a redemption price of 100%, at the option of the Issuer on or after December 1, 2028, in whole or in part, at any time by lot at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

Mandatory Redemption

The Term Bonds due December 1, 2043 and December 1, 2048 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on December 1 of the following years in the following amounts:

Year	Principal Amount
2039	$1,965,000
2040	$2,120,000
2041	$4,910,000
2042	$5,160,000
2043*	$5,430,000

* Final Maturity

Year	Principal Amount
2044	$5,700,000
2045	$3,035,000
2046	$35,000
2047	$35,000
2048*	$40,000

* Final Maturity

EXHIBIT A-1

THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS
SERIES 2018 B (TAX-EXEMPT)

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative (the "Representative") of itself, and Crews & Associates, Inc. (together, the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the General Rule Maturities***. As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price-Maturities***.

(a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement for the Bonds, each member of the Underwriting Group has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, the Representative would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, to the best of our knowledge based on our records, the Representative has not offered or sold any unsold Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means The City of Morgantown, West Virginia.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party (as such terms are defined below) to an Underwriter.

(g) A purchaser of any of the Bonds is a *Related Party* to any Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(h) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2018.

(i) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only, and as it relates to the actions of the other Underwriters, such representations are made to the best of the Representative's knowledge based on the Representative's records. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Steptoe & Johnson PLLC, Bond Counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the

preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The representations set forth herein are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by other members of the Underwriting Group.

Dated: _____, 2018

Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the Underwriting Group

By:_____
Name:_____

Schedule A
Sale Prices

General Rule Maturities

_____ Not Applicable

_____ Maturities Listed Below

Maturity Date	Amount ($)	Rate	Yield	Price	At Least 10% Sold at Initial Public Offering	Maturities Subject to Hold-the-Offering-Price Rule

*Priced to an optional call date of _____.

Hold-the-Offering-Price Rule Maturities

_____ Not Applicable

_____ Maturities Listed Below

Schedule B

Pricing Wire or Equivalent Communication

_____ Not applicable, because there are no Hold-the-Offering-Price Maturities

_____ Attached

EXHIBIT A-2

$44,260,000
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS
SERIES 2018 B (TAX-EXEMPT)

UNDERWRITING GROUP MEMBER CERTIFICATE

The undersigned, of behalf of Crews & Associates, Inc. (the "Underwriting Group Member"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

[1. Sale of the General Maturities.

(a) Any Maturity of the General Rule Maturities offered to the Public by the Underwriting Group Member on or before the Sale Date was offered at the interest rates listed on Schedule A. All of the Bonds of each General Rule Maturity allotted to the Underwriting Group Member in connection with the sale of the first 10% of each General Rule Maturity on the Sale Date were sold to the Public.]

[2. Initial Offering Price of the Hold-the-Offering-Price Maturities.

(a) Neither the Underwriting Group Member nor any broker-dealer who is participating in the initial sale of the Bonds as a party to a retail distribution agreement with the Underwriting Group Member has offered or sold any unsold Bonds of a Maturity of the Hold-the-Offering-Price Maturities listed on Schedule A allotted to it at a price that is higher than the respective initial offering prices listed on Schedule A for that Maturity of the Hold-the-Offering Price Maturities during the Holding Period.]

[3.] Defined Terms.

[(a) General Rule Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities".]

(b) [*Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities".]

(c) [*Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of business on _____, which is the fifth business day after the Sale Date, or (ii) the date on which the underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means The City of Morgantown.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a Related Party to an underwriter.

(g) A purchaser of any of the Bonds is a *Related Party* to any underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(h) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2018.

(i) *underwriter* (when used with a lower case "u") means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriting Group Member's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. [The undersigned understands that the foregoing information will be relied upon by Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative (the "Representative") of the members of the underwriting syndicate for the Bonds with respect to certain of the representations set forth in the issue price certificate delivered to the Issuer by the Representative on behalf of itself and other members of the underwriting syndicate.] [The undersigned understands that the foregoing information will be relied upon by the Issuer [and the Borrower] with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Steptoe & Johnson PLLC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice it may give to the Issuer [and the Borrower] from time to time relating to the Bonds.]

Crews & Associates, Inc., as
Underwriting Group Member]

By: _____
Title: _____

Dated: _____, 2018

REVISED

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT (STAND ALONE)

ISSUER:	The City of Morgantown, West Virginia	EFFECTIVE DATE:	June 21, 2018
		EXPIRATION DATE:	September 18, 2018
MEMBER:	The City of Morgantown, West Virginia		
BONDS:	Combined Utility System Revenue Bonds, Series 2018B (Tax Exempt)		

INSURANCE PAYMENT: $53,505.71

POLICY LIMIT: $3,567,047.00. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement for the Bonds.

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM") hereby commits, subject to the terms and conditions contained herein or added hereto, to issue its Municipal Bond Debt Service Reserve Insurance Policy (the "Policy") relating to the Bonds referenced above (the "Bonds") issued by or on behalf of the Member. To keep this Commitment in effect after the Expiration Date set forth above, a written request for renewal must be submitted to BAM prior to such Expiration Date. BAM reserves the right to grant or deny a renewal in its sole discretion.

THE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED OR WAIVED BY BAM, AND THE ISSUER AND MEMBER AGREE AS FOLLOWS:

1. The documents to be, or that have been, executed and delivered in connection with the issuance and sale of the Bonds (collectively, the "Security Documents") are in full force and effect and no default, breach or events of default (or event which with notice or the lapse of time would constitute an event of default) has occurred and is continuing under any of the Security Documents. The Security Documents shall not contain any untrue or misleading

statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.

2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof.

3. The Policy shall expire on the earlier of (a) final maturity date of the Bonds and (b) the date the Bonds are no longer outstanding under the Security Documents.

4. As of the effective date of the Policy, there shall have been no material adverse change in, as to or affecting (i) the Member or the Bonds, including, without limitation, the security for the Bonds, (ii) any disclosure document relating to the Bonds, (iii) any financial statements or other information submitted to BAM, (iv) the Security Documents to be, or that have been, executed and delivered with respect to the Bonds, (v) any project to be, or that has been, financed with the proceeds of the Bonds (if applicable), (vi) the legal opinions to be, or that have been, delivered in connection with the issuance and sale of the Bonds, or (vii) any other information submitted to BAM, including the debt service schedule of the Bonds, from information previously provided to BAM.

5. The applicable Security Documents shall contain the document provisions set forth in **Exhibit A** hereto. No variation shall be permitted therefrom except as specifically approved by BAM in writing.

6. None of the Security Documents, the Bonds or any disclosure document relating to the Bonds shall contain any reference to BAM, the Policy or the insurance evidenced thereby except as may be approved in writing by BAM.

7. BAM SHALL BE PROVIDED WITH AN ELECTRONIC COPY OF THE OFFICIAL STATEMENT RELATING TO THE BONDS SEVEN (7) DAYS PRIOR TO CLOSING, unless BAM shall agree in writing to a shorter period.

8. BAM shall be provided with:

(a) Copies of all drafts of the Security Document prepared subsequent to the date of this Commitment (blacklined to reflect all revisions from previously reviewed drafts) for review and approval. Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period.

(b) Copies of any consulting reports, feasibility studies, rate reports, engineer's reports or similar expert reports for review and approval, along with any revisions thereto (blacklined to reflect all revisions from previously reviewed drafts). Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period.

(c) The amortization schedule for, and final maturity date of, each series of Bonds.

(d) A No-Litigation Certificate or a description of all material pending litigation relating to the Issuer, Member or the Bonds and any opinions BAM shall request in connection therewith.

(e) A description of any material change in the Member's financial position from and after the date of the financial statements provided to BAM.

(f) A copy of the Debt Service Reserve Agreement [between] the [Issuer,] Member and BAM (the "Agreement"), substantially in the form of **Exhibit B**, duly executed by the [Issuer and the] Member, subject only to such changes as shall be agreed to by BAM, as evidenced by BAM's execution thereof.

(g) Executed copies of all Security Documents, the Official Statement relating to the Bonds and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the closing date and which, except for the opinions of counsel relating to the adequacy of disclosure, shall be addressed to BAM or accompanied by a letter of such counsel permitting BAM to rely on such opinion as if such opinion were addressed to BAM), including, without limitation, the unqualified approving opinion of bond counsel, in form and substance satisfactory to BAM and legal opinion(s) of nationally recognized bond counsel as to due authorization, validity and enforceability of the Security Documents, which legal opinion(s) shall be addressed to BAM. The foregoing shall be in form and substance acceptable to BAM. (For your information, the form of legal opinion to be delivered by BAM upon issuance of the Policy is attached hereto as **Exhibit C**.)

(h) An opinion(s) of nationally recognized bond counsel or other counsel acceptable to BAM, addressed and in form and substance satisfactory to BAM, (i) as to the due authorization, validity and enforceability of the Agreement, (ii) that the repayment of draws under the Policy and all Policy Costs are secured by and payable from [Net Revenues] in accordance with the terms of the Agreement, (iii) if applicable, that the Reserve Policy constitutes an instrument eligible for deposit to the credit of the debt service reserve fund or account (the "Reserve Fund") under the Security Documents, and (iv) as to such other matters as BAM shall reasonably request.

(i) Evidence of wire transfer in federal funds of an amount equal to the Insurance Payment, unless alternative arrangements for the payment of such amount acceptable to BAM have been made prior to the issuance of the Policy.

9. The Security Documents shall secure repayment of draws under the Policy and all Policy Costs consistent with the terms of the Agreement.

10. Bonds must have an underlying, long-term rating of at least:

A+	Standard and Poor's
A1	Moody's Investors Service
NR	Fitch Ratings

11. Promptly, but in no event more than thirty (30) days after the issuance of the Policy, BAM shall receive two (2) CD-ROMs, which contain the final closing transcript of proceedings with respect to the Bonds and the issuance of the Policy or if CD-ROMs are not available, such other electronic form as BAM shall accept.

12. To maintain this commitment until the Expiration Date set forth above, BAM must receive a copy of the signature page of this Commitment fully executed by an authorized officer of the undersigned by the earlier of the date on which the Official Statement containing disclosure language regarding BAM is circulated, if any, and ten (10) days after the date of this Commitment.

REPRESENTATION AND AGREEMENT BY BAM

(a) BAM is a mutual insurance corporation organized under the laws of, and domiciled in, the State of New York.

(b) BAM covenants that it will only insure obligations of states, political subdivisions, an integral part of states or political subdivisions or entities otherwise eligible for the exclusion of income under Section 115 of the Internal Revenue Code of 1986, as amended, or any successor thereto.

(c) BAM covenants that it will not seek to convert to a stock insurance corporation.

(d) The issuance of the Policy qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

BUILD AMERICA MUTUAL ASSURANCE COMPANY



Authorized Officer

June 21, 2018

Date

AGREED AND ACCEPTED

The undersigned agrees and accepts the conditions set forth above and further agrees that (i) if the debt service reserve fund requirement for the Bonds is met by a credit instrument, such credit instrument shall be a Reserve Policy provided by BAM in accordance with the terms of this Commitment; (ii) it has made an independent investigation and decision as to whether to obtain the Policy and whether the Policy is appropriate or proper for it based upon its judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) BAM has not made, and therefore it is not relying on, any recommendation from BAM that the Policy be obtained, it being understood and agreed that any communications from BAM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, and any related insurance document or the documentation governing the Bonds, do not constitute a recommendation to obtain the Policy; (iv) the undersigned acknowledges that BAM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, as to its future financial strength or the rating of BAM's financial strength by the rating agency; (v) the undersigned acknowledges that a credit or claims-paying rating of BAM assigned by a rating agency reflects only the views of, and an explanation of the significance of any such rating may be obtained only from, the assigning rating agency, any such rating may change or be suspended, placed under review or withdrawn by such rating agency if circumstances so warrant, and BAM compensates a rating agency to maintain a credit or claims-paying ability rating thereon, but such payment is not in exchange for any specific rating or for a rating within any particular range; (vi) the undersigned acknowledges that BAM may in its sole and absolute discretion at any time request that a rating agency withdraw any rating maintained in respect of BAM. Notwithstanding anything to the contrary set forth herein, upon issuance of the Policy, the provisions set forth under subparagraphs (i) through (vi) above and the representations and agreements of BAM shall survive the expiration or termination of this Commitment.

THE CITY OF MORGANTOWN, WEST VIRGINIA

By: _____
Authorized Officer

6/21/18
Date

EXHIBIT A

DOCUMENT PROVISIONS

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in the Authorizing Documents the Issuer and the Trustee agree to comply with the following provisions:

(a) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") and pay all related reasonable expenses incurred by BAM (the "Reserve Insurer"). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Reserve Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Reserve Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Reserve Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Reserve Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the debt service reserve fund or account established for the Bonds (the "Reserve Fund") and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Debt Service Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other credit facility on deposit in the Reserve Fund in lieu of cash ("Reserve Fund Credit Instrument").

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Fund Credit Instrument without regard to the legal or

financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

(b) Draws under the Reserve Policy may only be used to make payments on Bonds covered under the Reserve Policy.

(c) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this [Indenture], the [Lease/Loan Agreement], or any other document executed in connection with the Bonds (collectively, the "Security Documents").

(d) The Security Documents shall not be discharged until all Policy Costs owing to the Reserve Insurer shall have been paid in full. The Issuer's oblgation to pay such amount shall expressly survive payment in full of the Bonds.

(e) The Reserve Policy shall expire and terminate in accordance with the terms and provisions of the Reserve Policy [and Debt Service Reserve Agreement].

(f) Any amendment, supplement, modification to, or waiver of any of the Security Documents that requires the consent of the Owners of the Bonds or adversely affects the rights or interest of the Reserve Insurer shall be subject to the prior written consent of the Reserve Insurer.

(g) The Reserve Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(h) Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test [anti-dilution test] and the rate covenant in the Security Documents.

(i) The [Trustee] [Paying Agent] shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and shall provide notice to the Reserve Insurer in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Issuer with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall give notice to the Reserve Insurer of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.

(j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Reserve Insurer may pay or incur, including, but not limited to, fees and expenses of the Reserve Insurer's agents, attorneys, accountants, consultants, appraisers and auditors

and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this [Indenture] or any other Security Document ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Reserve Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Reserve Insurer until the date the Reserve Insurer is paid in full.

(k) Payments made by the Reserve Insurer under the Reseve Policy with respect to claims for interest on or principal of the Bonds shall not discharge the obligation of the Issuer with respect to such Bonds, and BAM shall become the owner of such unpaid Bonds and claims for the interest thereon. The Issuer and the Trustee recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, the Reserve Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.

(l) In order to secure the Issuer's payment obligations with respect to Policy Cost, there is hereby granted and perfected in favor of the Reserve Insurer a security interest (subordinate only to that of the owners of the Bonds) in all revenues and collateral pledged as security for the Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Bonds, including following the occurrence of a default or event of default.

(m) [The [Obligor] shall be obligated to pay, as an additional [loan, lease or rental] payment, to the Trustee for deposit to the Reserve Fund an amount equal to the debt service reserve fund replenishment under the [Indenture], including amounts required to repay draws and Policy Costs under the Reserve Policy.]

(n) Notice and Other Information to be given to the Reserve Insurer.

(1) The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Bonds or the Trustee under the Security Documents.

(2) In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon the Reserve Fund within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof.

(3) The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

(4) The notice address of Reserve Insurer is:

Build America Mutual Assurance Company
200 Liberty Street, 27th Floor
New York, NY 10281
Attention: Surveillance, Re: Policy No. _____
Telephone: (212) 235-2500
Telecopier: (212) 235-1542
Email: notices@buildamerica.com

In each case in which notice or other communication refers to an event of default or a claim on the Reserve Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

EXHIBIT B

FORM OF DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated June 28, 2018 (the "Agreement"), by and [between] [among] THE CITY OF MORGANTOWN, WEST VIRGINIA (the "Obligor") [_____ (the "Issuer")] and BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM").

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. 2018N0029 (the "Reserve Policy") with respect to the Combined Utility System Revenue Bonds, Series 2018B (Tax Exempt) [Bonds] (the "Bonds") issued under the [Indenture/Resolution/Ordinance] dated as of _____, between the [Obligor] [Issuer] and the [Trustee] (the "Trustee") (the "Authorizing Document") [, which bonds are secured by the [Lease/Loan] payments of the Obligor under the [Lease/Loan] Agreement dated as of _____ [the "[Lease/Loan] Agreement"] between the Issuer and the Obligor and the other revenue and collateral described in the Authorizing Document,] and the payment to BAM of the Insurance Payment for the Reserve Policy, the Obligor[, Issuer] and BAM hereby covenant and agree as follows:

1. The Obligor shall repay BAM any draws under the Reserve Policy and pay all Administrative Expenses (as defined below) incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate. "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, the Prime Rate shall be the prime or base-lending rate of such national bank as BAM shall designate.

2. Repayment of draws and payment of Administrative Expenses (as defined below) and the interest accrued thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregate of Policy Costs related to such draw*[; provided, however, that all such payments shall be due prior to termination of the [Lease] Agreement dated as of _____ between the Issuer and Obligor]*. Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due. *[For Ca. RDA add: The Obligor shall include the repayment of Policy Costs in its Recognized Payment Obligation Schedule.]*

3. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be reinstated by a like amount, subject to the terms of the Reserve Policy.

4. All cash and investments in the debt service reserve fund or account securing the Bonds (the "Reserve Fund") and any surplus fund or account shall be transferred to the debt service fund for payment of debt service on the Bonds before any drawing may be made on the Reserve Policy or on any alternative credit instrument on deposit in the Reserve Fund ("Alternative Credit Instrument"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Alternative Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to available coverage under each such Alternative Credit Instrument) after applying available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to Alternative Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Alternative Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

   The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

   Draws under the Reserve Policy may only be used to make payments of principal of and interest on the Bonds.

5. The Reserve Policy shall terminate on the earlier to occur of _____, ___ and the date the Bonds are no longer outstanding under the Authorizing Document.

6. If the Obligor shall fail to pay any Policy Costs in accordance with the requirements of the Authorizing Document and this Agreement, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Document, the [Lease/Loan] Agreement or any other document executed in connection with the Bonds (collectively, the "Security Documents").

7. Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Bonds or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

8. The Security Documents shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Obligor's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

9. In order to secure the Obligor's payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the Bonds) in all revenues and collateral pledged as security for the Bonds *[, including, without limitation, the payment obligations of the Obligor under the Lease/Loan Agreement]* ("Pledged Collateral"). Policy Costs shall be paid to BAM immediately following the payment of principal of and interest on the Bonds,

including following the occurrence of a default or event of default. The Obligor shall not make payments from or pledge, assign or grant a security interest in the Pledged Collateral to any provider of an Alternate Credit Instrument that is senior or prior to the payments or security interest granted to BAM by this Paragraph 9.

10. The Obligor shall fully observe, perform and fulfill each of the provisions, covenants and agreements (as each of those provisions, covenants and agreements may be amended, supplemented, modified or waived with, if required by Paragraph 7 above, the prior written consent of BAM) of the Security Documents applicable to it, with each of such provisions, covenants and agreements being expressly incorporated into this Agreement by reference solely for the benefit of BAM as if set forth directly herein.

11. Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Security Documents.

12. The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph 4 hereof and shall provide notice to BAM in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Obligor with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall give notice to BAM of any failure of the Obligor to make timely payment in full of such deposits within two business days of the date due.

13. Payments made by BAM under the Reserve Policy with respect to claims for interest on or principal of the Bonds shall not discharge the obligation of the [Issuer] [Obligor] with respect to such Bonds, and BAM shall become the owner of such unpaid Bonds and claims for the interest thereon. The [Issuer] [Obligor] and the Trustee recognize and agree that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the [Issuer] [Obligor], with interest thereon.

14. The Obligor agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement, the Authorizing Document or any other document executed in connection with the Bonds ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Obligor agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the

unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

15. The obligation of the Obligor to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Obligor and will be paid or performed strictly in accordance with this Agreement [, subject only to abatement as provided in Section __ of the Lease Agreement].

16. So long as a default or event of default has occurred and is continuing under this Agreement, the Authorizing Document or any other document executed in connection with the Bonds, the Obligor shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.

17. Notice and Other Information to be given to the Reserve Insurer.

    a. The Obligor will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Bonds or the Trustee under the Security Documents.

    b. In addition, the Obligor shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon the Reserve Fund within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof.

    c. The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

18. Notices to BAM shall be sent to the following address (or such other address as BAM may designate in writing): Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. 2018N0029, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com; with a copy of such notice or other communication sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214.

19. The Obligor [and Issuer] agrees that any disclosure document or other document relating to the issuance or sale of the Bonds shall not contain any reference to BAM or the Reserve Policy, except as may be approved by BAM.

20. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this

Agreement. In the event of any conflict in the terms of this Agreement and the Authorizing Document, the terms of this Agreement shall control.

21. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Document.

22. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.

23. This Agreement and the rights and obligations of the parties to the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the date first above written.

[OBLIGOR]

By: _____
Title:

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Title:

EXHIBIT C

FORM OF OPINION



[CLOSING DATE]

[ADDRESSEES (ISSUER, MEMBER AND TRUSTEE)]

Re:

DSR Policy: Debt Service Reserve Insurance Policy No. [POLICY NO.]
Member:
Bonds:

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced DSR Policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.

2. The Policy has been duly authorized, executed and delivered by BAM.

3. The Policy constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.

4. The issuance of the Policy qualifies the Member as a member of BAM until the Policy is no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addresses hereof and solely for the purposes of the transaction described above and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,

EXHIBIT 1

Specimen Municipal Bond Debt Service Reserve Insurance Policy

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY (SA)

ISSUER: [NAME OF ISSUER]

MEMBER: [NAME OF MEMBER]

BONDS: [Bonds]

MAXIMUM POLICY LIMIT: $_____

Policy No: _____

Effective Date: _____

Risk Premium: $_____

Member Surplus Contribution: $_____

Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be

reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "**Business Day**" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. "**Debt Service Reserve Agreement**" means the Debt Service Reserve Agreement, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time. "**Due for Payment**" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "**Nonpayment**" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "**Notice**" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy or other acceptable electronic delivery, from and signed by the Trustee or the Paying Agent, which notice shall be in a form and substance satisfactory to BAM and shall specify and include (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions, (e) the date such claimed amount becomes or became Due for Payment, (f) representations and agreements regarding the assignment and subrogation rights of BAM, and (g) such other provisions as BAM may reasonably require. A form of such Notice can be obtained from BAM upon request. "**Owner**" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "**Policy Limit**" means the lesser of (i) Maximum Policy Limit set forth above and (ii) the dollar amount of the debt service reserve fund (or the portion thereof) required to

PREVIEW

be maintained for the Bonds by the Security Documents from time to time (the "Reserve Account Requirement"). The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement applicable to the Bonds, as provided in the Security Documents. "**Security Documents**" means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement or any similar document and any additional or supplemental document executed in connection with the Bonds. "**Term**" means the period from and including the Effective Date until the Termination Date. "**Termination Date**" means the earlier to occur of (i) the date on which the Bonds are no longer outstanding under the Security Documents and (ii) _____ [date].

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

SPECIMEN

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy: 212-235-1524 (attention: Claims)

SPECIMEN

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. _____ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy, or if not defined therein, in the Debt Service Reserve Agreement.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Debt Service Reserve Agreement and, as of the date hereof, the Policy Limit is $_____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Name:
Title:

SPECIMEN

EXHIBIT 2

IF THE ISSUER ELECTS TO INCLUDE DISCLOSURE ABOUT BAM IN THE OFFICIAL STATEMENT, THE FOLLOWING SHOULD BE USED TO BE PRINTED IN THE BODY OF THE OFFICIAL STATEMENT OR AS AN EXHIBIT

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Debt Service Reserve Insurance Policy relating to the Bonds (the "Reserve Policy") in the form attached hereto as [Exhibit __].

The Reserve Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in

its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM does not guarantee the market price or liquidity of bonds (including the Bonds), nor does it guarantee that the rating on bonds (including the Bonds) will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2017 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $515 million, $87.7 million and $427.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY".

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY (SA)

ISSUER: The City of Morgantown, West Virginia

Policy No: 2018N0029

MEMBER: The City of Morgantown, West Virginia

Effective Date: June 28, 2018

BONDS: Combined Utility System Revenue Bonds, Series 2018B (Tax Exempt)

Risk Premium: $26,752.85
Member Surplus Contribution: $26,752.86
Total Insurance Payment: $53,505.71

MAXIMUM POLICY LIMIT: $3,567,047.00

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "**Business Day**" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. "**Debt Service Reserve Agreement**" means the Debt Service Reserve Agreement, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time. "**Due for Payment**" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "**Nonpayment**" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "**Notice**" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy or other acceptable electronic delivery, from and signed by the Trustee or the Paying Agent, which notice shall be in a form and substance satisfactory to BAM and shall specify and include (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions, (e) the date such claimed amount becomes or became Due for Payment, (f) representations and agreements regarding the assignment and subrogation rights of BAM, and (g) such other provisions as BAM may reasonably require. A form of such Notice can be

obtained from BAM upon request. "**Owner**" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "**Policy Limit**" means the lesser of (i) Maximum Policy Limit set forth above and (ii) the dollar amount of the debt service reserve fund (or the portion thereof) required to be maintained for the Bonds by the Security Documents from time to time (the "Reserve Account Requirement"). The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement applicable to the Bonds, as provided in the Security Documents. "**Security Documents**" means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement or any similar document and any additional or supplemental document executed in connection with the Bonds. "**Term**" means the period from and including the Effective Date until the Termination Date. "**Termination Date**" means the earlier to occur of (i) the date on which the Bonds are no longer outstanding under the Security Documents and (ii) December 01, 2048.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY



By: _____
Authorized Officer

Schedule

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy: 212-235-1524 (attention: Claims)

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. _____ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy, or if not defined therein, in the Debt Service Reserve Agreement.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Debt Service Reserve Agreement and, as of the date hereof, the Policy Limit is $_____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Name:
Title:

DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated June 28, 2018 (the "Agreement"), by and between The City of Morgantown, West Virginia (the "Obligor") and BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM").

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. 2018N0029 (the "Reserve Policy") with respect to The City of Morgantown, West Virginia, Combined Utility System Revenue Bonds, Series 2018 B (Tax Exempt) (the "Series 2018 B Bonds" or "Insured Obligations") issued under the Ordinance enacted by the Obligor on January 3, 2017 as supplemented by a Supplemental Parameters Resolution and Conformed Ordinance adopted by the Obligor on June 5, 2018, and a Certificate of Determinations executed by the Mayor on June 21, 2018 (collectively, the "Authorizing Documents"), which Series 2018 B Bonds are secured by the Gross Revenue pledge of the Obligor and the other revenue and collateral described in the Authorizing Documents, and the payment to BAM of the Insurance Payment for the Reserve Policy, the Obligor and BAM hereby covenant and agree as follows:

1. The Obligor shall repay BAM any draws under the Reserve Policy and pay all Administrative Expenses (as defined below) incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate. "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, the Prime Rate shall be the prime or base-lending rate of such national bank as BAM shall designate.

2. Repayment of draws and payment of Administrative Expenses (as defined below) and the interest accrued thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregated of Policy Costs related to such draw. Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due.

3. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be reinstated by a like amount, subject to the terms of the Reserve Policy.

4. All cash and investments in the debt service reserve fund or account securing the Insured Obligations (the "Reserve Fund") and any surplus fund or account shall be transferred to the debt service fund for payment of debt service on the Insured Obligations before any drawing may be made on the Reserve Policy or on any alternative credit instrument on deposit in the Reserve Fund ("Alternative Credit Instrument"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Alternative Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to available coverage under each such Alternative Credit Instrument) after applying available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to Alternative Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Alternative Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

   The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

   Draws under the Reserve Policy may only be used to make payments of principal of and interest on the Insured Obligations.

5. The Reserve Policy shall terminate on the earlier to occur of December 1, 2048 and the date the Insured Obligations are no longer outstanding under the Authorizing Documents.

6. If the Obligor shall fail to pay any Policy Costs in accordance with the requirements of the Authorizing Documents and this Agreement, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Documents or any other document executed in connection with the Insured Obligations (collectively, the "Security Documents").

7. Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Insured Obligations or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

8. The Security Documents shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Obligor's obligation to pay such amounts shall expressly survive payment in full of the Insured Obligations.

9. In order to secure the Obligor's payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the Insured Obligations) in all revenues and collateral pledged as security for the Insured Obligations ("Pledged Collateral"). Policy Costs shall be paid to BAM immediately following the payment of principal of and interest on the Insured Obligations, including following the occurrence of a default or event of default. The Obligor shall not make payments from or pledge, assign or grant a security interest in the Pledged Collateral to any provider of an Alternate Credit Instrument that is senior or prior to the payments or security interest granted to BAM by this Paragraph 9.

10. The Obligor shall fully observe, perform and fulfill each of the provisions, covenants and agreements (as each of those provisions, covenants and agreements may be amended, supplemented, modified or waived with, if required by Paragraph 7 above, the prior written consent of BAM) of the Security Documents applicable to it, with each of such provisions, covenants and agreements being expressly incorporated into this Agreement by reference solely for the benefit of BAM as if set forth directly herein.

11. Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Security Documents.

12. The Paying Agent, as defined in the Authorizing Documents, shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph 4 hereof and shall provide notice to BAM in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Insured Obligations. Where deposits are required to be made by the Obligor with the Paying Agent to the debt service fund for the Insured Obligations more often than semi-annually, the Paying Agent shall give notice to BAM of any failure of the Obligor to make timely payment in full of such deposits within two business days of the date due.

13. Payments made by BAM under the Reserve Policy with respect to claims for interest on or principal of the Insured Obligations shall not discharge the obligation of the Obligor with respect to such Insured Obligations, and BAM shall become the owner of such unpaid Insured Obligations and claims for the interest thereon. The Obligor and the Paying Agent recognize and agree that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Insured Obligations, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Obligor, with interest thereon.

14. The Obligor agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of

BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement, the Authorizing Documents or any other document executed in connection with the Insured Obligations ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Obligor agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

15. The obligation of the Obligor to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Obligor and will be paid or performed strictly in accordance with this Agreement.

16. So long as a default or event of default has occurred and is continuing under this Agreement, the Authorizing Documents or any other document executed in connection with the Insured Obligations, the Obligor shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.

17. Notice and Other Information to be given to BAM.

    a. The Obligor will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Insured Obligations or the Paying Agent under the Security Documents.

    b. In addition, the Obligor shall provide BAM with the following notices and other information: (i) notice of any draw upon the Reserve Fund within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Insured Obligations, including the principal amount, maturities and CUSIP numbers thereof.

    c. BAM shall be entitled to receive such additional information as it may reasonably request.

18. Notices to BAM shall be sent to the following address (or such other address as BAM may designate in writing): Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. 2018N0029, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com; with a copy of such notice or other

communication sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214.

19. The Obligor agrees that any disclosure document or other document relating to the issuance or sale of the Insured Obligations shall not contain any reference to BAM or the Reserve Policy, except as may be approved by BAM.

20. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement. In the event of any conflict in the terms of this Agreement and the Authorizing Documents, the terms of this Agreement shall control.

21. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Documents.

22. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.

23. This Agreement and the rights and obligations of the parties to the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

[REMAINDER OF THIS PAGE INTENTIONAL LEFT BLANK]

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the date first above written.

THE CITY OF MORGANTOWN, WEST VIRGINIA

By: _____
Title: Mayor

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Title: Authorized Officer

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the date first above written.

THE CITY OF MORGANTOWN, WEST VIRGINIA

By: _____
Title: Mayor

BUILD AMERICA MUTUAL ASSURANCE COMPANY



By: _____
Title: Authorized Officer

June 28, 2018

The City of Morgantown
278 Greenbag Road
Morgantown, WV 26501

Bank of America Merrill Lynch
1818 Market Street, 18th floor
Philadelphia, PA 19103

United Bank
500 Virginia Street, East
Charleston, WV 25301

RE: DSR Policy: Debt Service Reserve Policy No. 2018N0029
Member: The City of Morgantown, West Virginia
Bonds: Combined Utility System Revenue Bonds, Series 2018B (Tax Exempt)

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced DSR Policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.

2. The Policy has been duly authorized, executed and delivered by BAM.

3. The Policy constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization,

rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.

4. The issuance of the Policy qualifies the Member as a member of BAM until the Policy is no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addresses hereof and solely for the purposes of the transaction described above and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,



NO DEFAULT AND TAX CERTIFICATE OF
BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM Policy No.: 2018N0029

BONDS: The City of Morgantown, West Virginia
Combined Utility System Revenue Bonds,
Series 2018B (Tax Exempt)

Date of the Official Statement: June 21, 2018

The undersigned hereby certifies on behalf of BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), in connection with the issuance by BAM of its Policy referenced above (the "Policy") in respect of the Bonds referenced above (the "Bonds") that:

(i) BAM is not currently in default nor has BAM ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation;

(ii) The insurance payment (inclusive of the sum of the Risk Premium and the Member Surplus Contribution) (the "Insurance Payment") is a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to BAM as a condition to the issuance of the Policy;

(iii) BAM will, for federal income tax purposes, treat the Insurance Payment as solely in consideration for the insurance risk it assumes in the Policy and not as consideration for an investment in BAM or its assets;

(iv) No portion of such Insurance Payment represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by BAM to maintain its rating, which, together with all other overhead expenses of BAM, are taken into account in the formulation of its rate structure, or for the provision of additional services by BAM, nor the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor);

(v) BAM is not providing any services in connection with the Bonds other than providing the Policy, and except for the Insurance Payment, BAM will not use any portion of the Bond proceeds;

(vi) (a) BAM has not paid any dividends to date, (b) BAM's Board of Directors has resolved that BAM's priorities for surplus, as it accumulates, will be to preserve capital strength and claims paying resources for the benefit of its members and secondarily to return value by reducing premiums charged for its insurance, and (c) BAM has no current expectation that any dividends will be paid;

(vii) BAM does not expect that a claim will be made on the Policy;

(viii) Neither the Issuer nor any other Obligor is entitled to a refund of the Insurance Payment for the Policy in the event a Bond is retired before the final maturity date; and

BAM makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

BUILD AMERICA MUTUAL ASSURANCE COMPANY



By: _____
Authorized Officer

Dated: June 28, 2018

S&P Global
Ratings

RatingsDirect®

Summary:

Morgantown Utility Board, West Virginia
Morgantown; Combined Utility; Water/Sewer

Primary Credit Analyst:
Scott D Garrigan, New York (1) 312-233-7014; scott.garrigan@spglobal.com

Secondary Contact:
Edward R McGlade, New York (1) 212-438-2061; edward.mcglade@spglobal.com

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Rationale

Outlook

Summary:

Morgantown Utility Board, West Virginia Morgantown; Combined Utility; Water/Sewer

Credit Profile		
US$42.495 mil comb util sys rev bnds (Morgantown Util Brd) ser 2018 B dtd 05/16/2018 due 12/01/2058		
Long Term Rating	A+/Stable	New

Rationale

S&P Global Ratings assigned its 'A+' long-term rating to Morgantown, W.V.'s series 2018B combined system utility revenue bonds and affirmed its 'A+' rating on the city's outstanding combined system utility revenue bonds. The outlook is stable.

The rating reflects the combination of a strong enterprise risk profile and a very strong financial risk profile.

The enterprise risk profile reflects our view of the system's:

- Service area participation in the Morgantown metropolitan statistical area (MSA) economy;
- Very low industry risk as a monopolistic service provider of what we view to be an essential public utility;
- Affordable rates when benchmarked against the county income levels and poverty rate; and
- Generally good operational management practices and policies.

The financial risk profile reflects our view of the system's:

- Historical financial performance that reflects debt service coverage (DSC) of at least 1.2x and available liquidity representing no less than about 145 days' cash; and
- Generally good financial management practices and policies.

Given the additional flexibility to set and approve rates due to passage of Senate Bill 234 and the utility's historical ability to achieve positive budgetary variances, we would look for financial performance to exceed projected levels. It is our understanding that the current financial forecast does not take into account additional rate increases and growth in the customer base.

Most of the 2018B bond proceeds will be used to construct a 370 million gallon raw water reservoir that will, according to management, help to provide just over 30 days of additional capacity based on current usage rates. The bonds are secured by gross revenues of the system, which operates as Morgantown Utility Board (MUB), and are on par with the existing debt. Other bond provisions include a 1.15x rate covenant and additional bonds test based on the same ratio. Bondholders also benefit from a debt service reserve funded with a surety policy at the lesser of 10% of par, maximum annual debt service (MADS), or 125% average annual debt service.

MUB, a component unit of the city of Morgantown, is a municipally owned and operated system that supplies water, wastewater, and stormwater services to customers in Morgantown and most of Monongalia County through both direct and bulk service. The retail area reports about 26,200 direct water service connections and 22,600 direct sewer service connections.

The system has one water treatment plant with a current capacity of 16 million gallons per day (mgd) but can easily be expanded to 24 mgd by installing additional filter membranes into the existing plant footprint. MUB also operates two wastewater treatment plants. While the current capacity is 12 mgd, a project--financed with 2016 bonds--will, among other things, expand capacity to 20.8 mgd.

Enterprise risk

Our assessment of the system's enterprise risk profile incorporates our analysis of rate affordability. We have benchmarked the system's monthly residential rates for average use of 4,500 gallons, which totals $68.39 for water, sewer, and stormwater service, against Monongalia County median household effective buying income that is 93% of the national average and a 22.5% county poverty rate. While both of these economic indicators do not compare favorably with national averages, MUB has indicated that the nominal rates compare favorably with surrounding systems' rates.

The utility benefits economically from the presence of West Virginia University, which we view having a stabilizing influence on the economic base. The university is the top user among the total top 10 users that accounted for 34% of operating revenues in 2017.

Financial risk

MUB's historical financial profile is supportive of the current rating. While DSC for the fiscal year ended June 30, 2017, was 1.9x, prior-year coverage for 2015 and 2016 were about 1.3x and 1.2x, respectively. The large increase in 2017 primarily reflects city's implementation of large rate increases for the 2017 fiscal year in anticipation of funding additional costs related to system improvements financed primarily with bonds issued in 2016 and 2018. Projections indicate that coverage should meet or exceed 1.2x, which is higher than the bond covenant minimum of 1.15x. Regarding unrestricted cash and investments, MUB had $11.1 million at the end of 2017, which equated to 252 days' cash. The board has a policy to maintain 110-140 days' cash.

Apart from the bonds issued currently, MUB has not identified any additional debt needs to fund its $13 million capital improvement program from 2018-2022.

Supporting both the enterprise and financial risk profiles are generally good operational and financial management policies.

Highlights of these include:

- A full asset management program and capital improvement planning process;
- Consistent customer relations;
- Rate-setting autonomy not subject to state public service commission oversight; and
- Maintenance of five-year financial projections.

Outlook

The stable outlook reflects our expectation that the board's financial risk profile will remain consistent with recent levels, and that it will manage the capital plan sufficiently to meet projections associated with DSC and cash. We further expect that rates will increase as necessary to meet planning purposes.

Upside scenario

We could raise the rating if the utility's actual financial operations significantly outpace projections, and there are no other negative changes to the enterprise risk profile, which would include such factors as income levels, the poverty rate, and the county's growth trends relative to national rates. However, given the recent large bond issues and rate increases, we would anticipate that any upward movement to the rating would likely occur beyond the two year outlook horizon, since we would aim to ascertain how MUB's long-term financial profile will look as its starts to service the recent additional debt costs.

Downside scenario

We could lower the rating during our two-year outlook period if financial results do not meet or exceed current projections. If there is a longer term trend of managing financial results only to about bond covenant and internal policy minimums, there would likely be downward pressure on the rating or outlook.

Ratings Detail (As Of June 4, 2018)

Morgantown comb util (AGM)		
Unenhanced Rating	A+(SPUR)/Stable	Affirmed
Morgantown Util Brd, West Virginia		
Morgantown, West Virginia		
Morgantown Util Brd (Morgantown) COMBUTIL (AGM)		
Unenhanced Rating	A+(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

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S&P Global
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reference no.: 1525185

June 1, 2018

City of Morgantown
389 Spruce Street
First Floor
Morgantown, WV 26505
Attention: Mr./Ms. Paul Brake, City Manager

Re: ***US$42,495,000 Morgantown, West Virginia, Combined Utility System Revenue Bonds, (Morgantown Utility Board), Series 2018 B, dated: May 16, 2018, due: December 01, 2058***

Dear Mr./Ms. Brake:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "A+" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

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Please send hard copies to:

S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

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Sincerely yours,

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mm
enclosures

cc: ***Mr. Chris Lover, CFA***
Mr. Tim Ball

S&P Global
Ratings

S&P Global Ratings
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www.moodys.com

May 30, 2018

Ms. Debbie Osborne
morgantown Utility Board, WV
278 Greenbag Road
Morgantown, WV 26501

Dear Ms. Osborne:

We wish to inform you that on May 30, 2018, Moody's Investors Service reviewed and assigned a rating of **A1** to Morgantown Utility Board, WV, Combined Utility System Revenue Bonds, Series 2018 B (Tax Exempt).

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May 30, 2018

Ms. Debbie Osborne
Morgantown Utility Board, WV
278 Greenbag Road
Morgantown, WV 26501

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If there is a conflict between the terms of this rating letter and any related Moody's rating application, the terms of the executed rating application will govern and supercede this rating letter.

Should you have any questions regarding the above, please do not hesitate to contact the analyst assigned to this transaction, Shelby Schwabauer at 212-553-4766.

Sincerely,

Moody's Investors Service, Inc.

Moody's Investors Service, Inc.

cc: Mr. Chris Lover
Public Financial Management, Inc.

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's assigns A1 to Morgantown Utility Board, WV's $43.1M Rev Bonds Series 2018 B

30 May 2018

New York, May 30, 2018 -- Moody's Investors Service has assigned an A1 rating to Morgantown Utility Board, WV's $43.1 million Combined Utility System Revenue Bonds, Series 2018 B (Tax Exempt). Moody's maintains a A1 rating on the board's outstanding parity revenue bonds. The bonds are expected to price the week of June 18, 2018.

RATINGS RATIONALE

The A1 rating reflects the Utility Board's healthy financial position, including ample liquidity and solid operating ratios. The rating also takes into consideration a diverse and growing service area, adequate debt service coverage and an elevated but manageable debt ratio.

RATING OUTLOOK

Outlooks are usually not assigned to local government credits with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Further strengthening of financial position, including increased debt service coverage

- Sizeable and sustained growth in service area

- Decreases in debt levels

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Significant decreases in reserve or cash positions

- Decreases in debt service coverage

- Sizeable increase in debt beyond projected debt issuances

LEGAL SECURITY

The bonds secured by a pledge of gross revenues derived from the Combined Utility System, on a parity with the outstanding revenues bonds.

USE OF PROCEEDS

Proceeds will be used to fund the construction of a second water reservoir for Cobun Creek and fund other water system and stormwater system improvements.

PROFILE

Morgantown Utility Board provides potable water, sanitary sewer and stormwater services to the City of Morgantown and portions of Monongalia County.

METHODOLOGY

The principal methodology used in this rating was US Municipal Utility Revenue Debt published in October 2017. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

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The Depository Trust Company

A subsidiary of The Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

[To be Completed by Issuer]

CITY OF MORGANTOWN

[Name of Issuer]

December 12, 2006

[Date]

[For Municipal Issues:
Underwriting Department—Eligibility; 50th Floor]
[For Corporate Issues:
General Counsel's Office; 49th Floor]
The Depository Trust Company
55 Water Street
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted:
THE DEPOSITORY TRUST COMPANY

By: _____

DTCC

The Depository Trust & Clearing Corporation

Very truly yours,

CITY OF MORGANTOWN

(Issuer)

By: _____

(Authorized Officer's Signature)

Dan Boroff, City Manager

(Print Name)

389 Spruce Street

(Street Address)

Morgantown, West Virginia, USA, 26505

(City) (State) (Country) (Zip Code)

(304) 284-7405

(Phone Number)

dboroff@cityofmorgantown.org

(E-mail Address)

[2/02]

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Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

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SOURCES AND USES OF FUNDS

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Sources:	
Bond Proceeds:	
Par Amount	44,260,000.00
Net Premium	4,089,120.90
	48,349,120.90
Uses:	
Project Fund Deposits:	
Stormwater Portion	700,000.00
Dam-Reservoir Project	47,138,082.00
	47,838,082.00
Delivery Date Expenses:	
Cost of Issuance	265,500.00
Underwriter's Discount	190,069.98
Surety Premium for Arbitrage Yield	53,505.71
	509,075.69
Other Uses of Funds:	
Additional Proceeds	1,963.21
	48,349,120.90

BOND SUMMARY STATISTICS

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Dated Date	06/28/2018
Delivery Date	06/28/2018
Last Maturity	12/01/2048
Arbitrage Yield	3.529643%
True Interest Cost (TIC)	3.966944%
Net Interest Cost (NIC)	4.193733%
All-In TIC	4.016838%
Average Coupon	4.616660%
Average Life (years)	20.830
Duration of Issue (years)	13.604
Par Amount	44,260,000.00
Bond Proceeds	48,349,120.90
Total Interest	42,561,932.20
Net Interest	38,662,881.28
Total Debt Service	86,821,932.20
Maximum Annual Debt Service	5,939,800.00
Average Annual Debt Service	2,853,637.87
Underwriter's Fees (per $1000)	
Average Takedown	3.111274
Other Fee	1.183122
Total Underwriter's Discount	4.294396
Bid Price	108.809424

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bond	15,830,000.00	108.934	4.462%	13.650	13,262.25
Term Bond	19,585,000.00	113.290	5.000%	23.934	17,626.50
Term Bond	8,845,000.00	100.814	4.000%	26.806	7,252.90
	44,260,000.00			20.830	38,141.65

	TIC	All-In TIC	Arbitrage Yield
Par Value	44,260,000.00	44,260,000.00	44,260,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	4,089,120.90	4,089,120.90	4,089,120.90
- Underwriter's Discount	-190,069.98	-190,069.98	
- Cost of Issuance Expense		-265,500.00	
- Other Amounts	-	-53,505.71	-53,505.71
Target Value	48,159,050.92	47,840,045.21	48,295,615.19
Target Date	06/28/2018	06/28/2018	06/28/2018
Yield	3.966944%	4.016838%	3.529643%

BOND PRICING

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Bond Component	Maturity Date	Amount	Rate	Yield	Price	
Serial Bond:						
	12/01/2019	970,000	5.000%	1.620%	104.741	
	12/01/2020	485,000	5.000%	1.800%	107.558	
	12/01/2021	535,000	5.000%	1.970%	109.986	
	12/01/2022	585,000	5.000%	2.090%	112.236	
	12/01/2023	645,000	5.000%	2.240%	114.023	
	12/01/2024	190,000	3.000%	2.420%	103.430	
	12/01/2025	220,000	3.000%	2.570%	102.888	
	12/01/2026	255,000	3.000%	2.710%	102.170	
	12/01/2027	295,000	3.000%	2.830%	101.396	
	12/01/2028	335,000	3.000%	2.940%	100.511	C
	12/01/2029	385,000	3.000%	3.080%	99.232	
	12/01/2030	435,000	3.125%	3.220%	99.031	
	12/01/2031	495,000	3.125%	3.260%	98.540	
	12/01/2032	990,000	3.250%	3.360%	98.748	
	12/01/2033	1,215,000	5.000%	3.110%	116.030	C
	12/01/2034	1,330,000	5.000%	3.160%	115.568	C
	12/01/2035	1,430,000	3.500%	3.600%	98.711	
	12/01/2036	1,540,000	5.000%	3.230%	114.925	C
	12/01/2037	1,675,000	5.000%	3.270%	114.559	C
	12/01/2038	1,820,000	5.000%	3.290%	114.376	C
		15,830,000				
Term Bond:						
	12/01/2039	1,965,000	5.000%	3.410%	113.290	C
	12/01/2040	2,120,000	5.000%	3.410%	113.290	C
	12/01/2041	4,910,000	5.000%	3.410%	113.290	C
	12/01/2042	5,160,000	5.000%	3.410%	113.290	C
	12/01/2043	5,430,000	5.000%	3.410%	113.290	C
		19,585,000				
Term Bond:						
	12/01/2044	5,700,000	4.000%	3.900%	100.814	C
	12/01/2045	3,035,000	4.000%	3.900%	100.814	C
	12/01/2046	35,000	4.000%	3.900%	100.814	C
	12/01/2047	35,000	4.000%	3.900%	100.814	C
	12/01/2048	40,000	4.000%	3.900%	100.814	C
		8,845,000				
		44,260,000				

Dated Date	06/28/2018	
Delivery Date	06/28/2018	
First Coupon	12/01/2018	
Par Amount	44,260,000.00	
Premium	4,089,120.90	
Production	48,349,120.90	109.238863%
Underwriter's Discount	-190,069.98	-0.429440%
Purchase Price	48,159,050.92	108.809424%
Accrued Interest	-	
Net Proceeds	48,159,050.92	

BOND MATURITY TABLE

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Maturity Date	Serial Bond	Term Bond	Term Bond	Total
12/01/2019	970,000	-	-	970,000
12/01/2020	485,000	-	-	485,000
12/01/2021	S35,000	-	-	535,000
12/01/2022	585,000	-	-	585,000
12/01/2023	645,000	-	-	645,000
12/01/2024	190,000	-	-	190,000
12/01/2025	220,000	-	-	220,000
12/01/2026	255,000	-	-	255,000
12/01/2027	295,000	-	-	295,000
12/01/2028	335,000	-	-	335,000
12/01/2029	385,000	-	-	385,000
12/01/2030	435,000	-	-	435,000
12/01/2031	495,000	-	-	495,000
12/01/2032	990,000	-	-	990,000
12/01/2033	1,215,000	-	-	1,215,000
12/01/2034	1,330,000	-	-	1,330,000
12/01/2035	1,430,000	-	-	1,430,000
12/01/2036	1,540,000	-	-	1,540,000
12/01/2037	1,675,000	-	-	1,675,000
12/01/2038	1,820,000	-	-	1,820,000
12/01/2039	-	1,965,000	-	1,965,000
12/01/2040	-	2,120,000	-	2,120,000
12/01/2041	-	4,910,000	-	4,910,000
12/01/2042	-	5,160,000	-	5,160,000
12/01/2043	-	5,430,000	-	5,430,000
12/01/2044	-	-	5,700,000	5,700,000
12/01/2045	-	-	3,035,000	3,035,000
12/01/2046	-	-	35,000	35,000
12/01/2047	-	-	35,000	35,000
12/01/2048	-	-	40,000	40,000
	15,830,000	19,585,000	8,845,000	44,260,000

BOND SOLUTION

Morgantown Utility Board
Series 2018B, Stormwater Portion
FINAL NUMBERS

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service
06/30/2018	-	-	-
06/30/2019	-	26,131	26,131
06/30/2020	10,000	38,000	38,000
06/30/2021	10,000	37,500	37,500
06/30/2022	15,000	41,875	41,875
06/30/2023	15,000	41,125	41,125
06/30/2024	15,000	40,375	40,375
06/30/2025	15,000	39,775	39,775
06/30/2026	15,000	39,325	39,325
06/30/2027	15,000	38,875	38,875
06/30/2028	15,000	38,425	38,425
06/30/2029	15,000	37,975	37,975
06/30/2030	15,000	37,525	37,525
06/30/2031	20,000	41,988	41,988
06/30/2032	20,000	41,363	41,363
06/30/2033	20,000	40,725	40,725
06/30/2034	20,000	39,900	39,900
06/30/2035	20,000	38,900	38,900
06/30/2036	20,000	38,050	38,050
06/30/2037	20,000	37,200	37,200
06/30/2038	25,000	41,075	41,075
06/30/2039	25,000	39,825	39,825
06/30/2040	25,000	38,575	38,575
06/30/2041	25,000	37,325	37,325
06/30/2042	30,000	40,950	40,950
06/30/2043	30,000	39,450	39,450
06/30/2044	30,000	37,950	37,950
06/30/2045	35,000	41,500	41,500
06/30/2046	35,000	40,100	40,100
06/30/2047	35,000	38,700	38,700
06/30/2048	35,000	37,300	37,300
06/30/2049	40,000	40,800	40,800
	665,000	1,208,581	1,208,581

BOND SOLUTION

Morgantown Utility Board
Series 2018B, Dam Reservoir Portion
FINAL NUMBERS

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2018	-	-	-	-	-	-	-
06/30/2019	-	1,856,001	4,004,656	5,860,657	5,860,657	0	100.00000%
06/30/2020	960,000	2,942,488	3,993,067	6,935,555	6,939,343	3,789	100.05462%
06/30/2021	475,000	2,421,613	3,974,566	6,396,179	6,400,000	3,822	100.05975%
06/30/2022	520,000	2,441,738	3,954,066	6,395,804	6,400,000	4,197	100.06561%
06/30/2023	570,000	2,464,488	3,930,774	6,395,262	6,400,000	4,739	100.07409%
06/30/2024	630,000	2,494,488	3,903,842	6,398,330	6,400,000	1,671	100.02611%
06/30/2025	175,000	2,021,113	3,878,041	5,899,154	5,900,000	847	100.01435%
06/30/2026	205,000	2,045,413	3,853,337	5,898,750	5,900,000	1,251	100.02120%
06/30/2027	240,000	2,073,738	3,825,037	5,898,775	5,900,000	1,226	100.02078%
06/30/2028	280,000	2,105,938	3,793,637	5,899,575	5,900,000	426	100.00721%
06/30/2029	320,000	2,136,938	3,758,500	5,895,438	5,900,000	4,563	100.07739%
06/30/2030	370,000	2,176,588	3,719,124	5,895,712	5,900,000	4,289	100.07274%
06/30/2031	415,000	2,209,553	3,685,688	5,895,241	5,900,000	4,759	100.08072%
06/30/2032	475,000	2,255,647	3,643,031	5,898,678	5,900,000	1,322	100.02241%
06/30/2033	970,000	2,727,463	3,170,671	5,898,134	5,900,000	1,867	100.03165%
06/30/2034	1,195,000	2,906,825	2,988,664	5,895,489	5,900,000	4,511	100.07652%
06/30/2035	1,310,000	2,959,200	2,939,829	5,899,029	5,900,000	971	100.01646%
06/30/2036	1,410,000	3,001,775	2,895,894	5,897,669	5,900,000	2,331	100.03952%
06/30/2037	1,520,000	3,049,100	2,846,541	5,895,641	5,900,000	4,359	100.07394%
06/30/2038	1,650,000	3,099,850	2,796,610	5,896,460	5,900,000	3,540	100.06004%
06/30/2039	1,795,000	3,158,725	2,740,941	5,899,666	5,900,000	334	100.00566%
06/30/2040	1,940,000	3,210,350	2,689,216	5,899,566	5,900,000	434	100.00736%
06/30/2041	2,095,000	3,264,475	2,631,116	5,895,591	5,900,000	4,409	100.07478%
06/30/2042	4,880,000	5,875,100	20,473	5,895,573	5,900,000	4,427	100.07509%
06/30/2043	5,130,000	5,874,850	20,473	5,895,323	5,900,000	4,677	100.07933%
06/30/2044	5,400,000	5,881,600	15,354	5,896,954	5,900,000	3,046	100.05165%
06/30/2045	5,665,000	5,898,300	-	5,898,300	5,900,000	1,700	100.02882%
06/30/2046	3,000,000	3,060,000	-	3,060,000	5,900,000	2,840,000	192.81046%
06/30/2047	-	-	-	-	5,900,000	5,900,000	-
06/30/2048	-	-	-	-	5,900,000	5,900,000	-
06/30/2049	-	-	-	-	-	-	-
	43,595,000	85,613,351	79,673,148	165,286,499	180,000,000	14,713,501	

BOND DEBT SERVICE

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2018	-	-	864,763.44	864,763.44	-
06/01/2019	-	-	1,017,368.75	1,017,368.75	-
06/30/2019	-	-	-	-	1,882,132.19
12/01/2019	970,000	5.000%	1,017,368.75	1,987,368.75	-
06/01/2020	-	-	993,118.75	993,118.75	-
06/30/2020	-	-	-	-	2,980,487.50
12/01/2020	485,000	5.000%	993,118.75	1,478,118.75	-
06/01/2021	-	-	980,993.75	980,993.75	-
06/30/2021	-	-	-	-	2,459,112.50
12/01/2021	535,000	5.000%	980,993.75	1,515,993.75	-
06/01/2022	-	-	967,618.75	967,618.75	-
06/30/2022	-	-	-	-	2,483,612.50
12/01/2022	585,000	5.000%	967,618.75	1,552,618.75	-
06/01/2023	-	-	952,993.75	952,993.75	-
06/30/2023	-	-	-	-	2,505,612.50
12/01/2023	645,000	5.000%	952,993.75	1,597,993.75	-
06/01/2024	-	-	936,868.75	936,868.75	-
06/30/2024	-	-	-	-	2,534,862.50
12/01/2024	190,000	3.000%	936,868.75	1,126,868.75	-
06/01/2025	-	-	934,018.75	934,018.75	-
06/30/2025	-	-	-	-	2,060,887.50
12/01/2025	220,000	3.000%	934,018.75	1,154,018.75	-
06/01/2026	-	-	930,718.75	930,718.75	-
06/30/2026	-	-	-	-	2,084,737.50
12/01/2026	255,000	3.000%	930,718.75	1,185,718.75	-
06/01/2027	-	-	926,893.75	926,893.75	-
06/30/2027	-	-	-	-	2,112,612.50
12/01/2027	295,000	3.000%	926,893.75	1,221,893.75	-
06/01/2028	-	-	922,468.75	922,468.75	-
06/30/2028	-	-	-	-	2,144,362.50
12/01/2028	335,000	3.000%	922,468.75	1,257,468.75	-
06/01/2029	-	-	917,443.75	917,443.75	-
06/30/2029	-	-	-	-	2,174,912.50
12/01/2029	385,000	3.000%	917,443.75	1,302,443.75	-
06/01/2030	-	-	911,668.75	911,668.75	-
06/30/2030	-	-	-	-	2,214,112.50
12/01/2030	435,000	3.125%	911,668.75	1,346,668.75	-
06/01/2031	-	-	904,871.88	904,871.88	-
06/30/2031	-	-	-	-	2,251,540.63
12/01/2031	495,000	3.125%	904,871.88	1,399,871.88	-
06/01/2032	-	-	897,137.50	897,137.50	-
06/30/2032	-	-	-	-	2,297,009.38
12/01/2032	990,000	3.250%	897,137.50	1,887,137.50	-
06/01/2033	-	-	881,050.00	881,050.00	-
06/30/2033	-	-	-	-	2,768,187.50
12/01/2033	1,215,000	5.000%	881,050.00	2,096,050.00	-
06/01/2034	-	-	850,675.00	850,675.00	-
06/30/2034	-	-	-	-	2,946,725.00
12/01/2034	1,330,000	5.000%	850,675.00	2,180,675.00	-
06/01/2035	-	-	817,425.00	817,425.00	-
06/30/2035	-	-	-	-	2,998,100.00
12/01/2035	1,430,000	3.500%	817,425.00	2,247,425.00	-
06/01/2036	-	-	792,400.00	792,400.00	-
06/30/2036	-	-	-	-	3,039,825.00
12/01/2036	1,540,000	5.000%	792,400.00	2,332,400.00	-
06/01/2037	-	-	753,900.00	753,900.00	-
06/30/2037	-	-	-	-	3,086,300.00
12/01/2037	1,675,000	5.000%	753,900.00	2,428,900.00	-
06/01/2038	-	-	712,025.00	712,025.00	-
06/30/2038	-	-	-	-	3,140,925.00
12/01/2038	1,820,000	5.000%	712,025.00	2,532,025.00	-
06/01/2039	-	-	666,525.00	666,525.00	-
06/30/2039	-	-	-	-	3,198,550.00
12/01/2039	1,965,000	5.000%	666,525.00	2,631,525.00	-
06/01/2040	-	-	617,400.00	617,400.00	-
06/30/2040	-	-	-	-	3,248,925.00
12/01/2040	2,120,000	5.000%	617,400.00	2,737,400.00	-
06/01/2041	-	-	564,400.00	564,400.00	-
06/30/2041	-	-	-	-	3,301,800.00
12/01/2041	4,910,000	5.000%	564,400.00	5,474,400.00	-
06/01/2042	-	-	441,650.00	441,650.00	-
06/30/2042	-	-	-	-	5,916,050.00
12/01/2042	5,160,000	5.000%	441,650.00	5,601,650.00	-
06/01/2043	-	-	312,650.00	312,650.00	-
06/30/2043	-	-	-	-	5,914,300.00
12/01/2043	5,430,000	5.000%	312,650.00	5,742,650.00	-
06/01/2044	-	-	176,900.00	176,900.00	-
06/30/2044	-	-	-	-	5,919,550.00
12/01/2044	5,700,000	4.000%	176,900.00	5,876,900.00	-
06/01/2045	-	-	62,900.00	62,900.00	-
06/30/2045	-	-	-	-	5,939,800.00
12/01/2045	3,035,000	4.000%	62,900.00	3,097,900.00	-

BOND DEBT SERVICE

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2046	-	-	2,200.00	2,200.00	-
06/30/2046	-	-	-	-	3,100,100.00
12/01/2046	35,000	4.000%	2,200.00	37,200.00	-
06/01/2047	-	-	1,500.00	1,500.00	-
06/30/2047	-	-	-	-	38,700.00
12/01/2047	35,000	4.000%	1,500.00	36,500.00	-
06/01/2048	-	-	800.00	800.00	-
06/30/2048	-	-	-	-	37,300.00
12/01/2048	40,000	4.000%	800.00	40,800.00	-
06/30/2049	-	-	-	-	40,800.00
	44,260,000		42,561,932.20	86,821,932.20	86,821,932.20

AGGREGATE DEBT SERVICE

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Date	Series 2018B, Stormwater Portion	Series 2018B, Dam Reservoir Portion	Aggregate Debt Service
12/01/2018	12,006.25	852,757.19	864,763.44
06/01/2019	14,125.00	1,003,243.75	1,017,368.75
12/01/2019	24,125.00	1,963,243.75	1,987,368.75
06/01/2020	13,875.00	979,243.75	993,118.75
12/01/2020	23,875.00	1,454,243.75	1,478,118.75
06/01/2021	13,625.00	967,368.75	980,993.75
12/01/2021	28,625.00	1,487,368.75	1,515,993.75
06/01/2022	13,250.00	954,368.75	967,618.75
12/01/2022	28,250.00	1,524,368.75	1,552,618.75
06/01/2023	12,875.00	940,118.75	952,993.75
12/01/2023	27,875.00	1,570,118.75	1,597,993.75
06/01/2024	12,500.00	924,368.75	936,868.75
12/01/2024	27,500.00	1,099,368.75	1,126,868.75
06/01/2025	12,275.00	921,743.75	934,018.75
12/01/2025	27,275.00	1,126,743.75	1,154,018.75
06/01/2026	12,050.00	918,668.75	930,718.75
12/01/2026	27,050.00	1,158,668.75	1,185,718.75
06/01/2027	11,825.00	915,068.75	926,893.75
12/01/2027	26,825.00	1,195,068.75	1,221,893.75
06/01/2028	11,600.00	910,868.75	922,468.75
12/01/2028	26,600.00	1,230,868.75	1,257,468.75
06/01/2029	11,375.00	906,068.75	917,443.75
12/01/2029	26,375.00	1,276,068.75	1,302,443.75
06/01/2030	11,150.00	900,518.75	911,668.75
12/01/2030	31,150.00	1,315,518.75	1,346,668.75
06/01/2031	10,837.50	894,034.38	904,871.88
12/01/2031	30,837.50	1,369,034.38	1,399,871.88
06/01/2032	10,525.00	886,612.50	897,137.50
12/01/2032	30,525.00	1,856,612.50	1,887,137.50
06/01/2033	10,200.00	870,850.00	881,050.00
12/01/2033	30,200.00	2,065,850.00	2,096,050.00
06/01/2034	9,700.00	840,975.00	850,675.00
12/01/2034	29,700.00	2,150,975.00	2,180,675.00
06/01/2035	9,200.00	808,225.00	817,425.00
12/01/2035	29,200.00	2,218,225.00	2,247,425.00
06/01/2036	8,850.00	783,550.00	792,400.00
12/01/2036	28,850.00	2,303,550.00	2,332,400.00
06/01/2037	8,350.00	745,550.00	753,900.00
12/01/2037	33,350.00	2,395,550.00	2,428,900.00
06/01/2038	7,725.00	704,300.00	712,025.00
12/01/2038	32,725.00	2,499,300.00	2,532,025.00
06/01/2039	7,100.00	659,425.00	666,525.00
12/01/2039	32,100.00	2,599,425.00	2,631,525.00
06/01/2040	6,475.00	610,925.00	617,400.00
12/01/2040	31,475.00	2,705,925.00	2,737,400.00
06/01/2041	5,850.00	558,550.00	564,400.00
12/01/2041	35,850.00	5,438,550.00	5,474,400.00
06/01/2042	5,100.00	436,550.00	441,650.00
12/01/2042	35,100.00	5,566,550.00	5,601,650.00
06/01/2043	4,350.00	308,300.00	312,650.00
12/01/2043	34,350.00	5,708,300.00	5,742,650.00
06/01/2044	3,600.00	173,300.00	176,900.00
12/01/2044	38,600.00	5,838,300.00	5,876,900.00
06/01/2045	2,900.00	60,000.00	62,900.00
12/01/2045	37,900.00	3,060,000.00	3,097,900.00
06/01/2046	2,200.00	-	2,200.00
12/01/2046	37,200.00	-	37,200.00
06/01/2047	1,500.00	-	1,500.00
12/01/2047	36,500.00	-	36,500.00
06/01/2048	800.00	-	800.00
12/01/2048	40,800.00	-	40,800.00
	1,208,581.25	85,613,350.95	86,821,932.20

FORM 8038 STATISTICS

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Dated Date	06/28/2018
Delivery Date	06/28/2018

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bond:						
	12/01/2019	970,000.00	5.000%	104.741	1,015,987.70	970,000.00
	12/01/2020	485,000.00	5.000%	107.558	521,656.30	485,000.00
	12/01/2021	535,000.00	5.000%	109.986	588,425.10	535,000.00
	12/01/2022	585,000.00	5.000%	112.236	656,580.60	585,000.00
	12/01/2023	645,000.00	5.000%	114.023	735,448.35	645,000.00
	12/01/2024	190,000.00	3.000%	103.430	196,517.00	190,000.00
	12/01/2025	220,000.00	3.000%	102.888	226,353.60	220,000.00
	12/01/2026	255,000.00	3.000%	102.170	260,533.50	255,000.00
	12/01/2027	295,000.00	3.000%	101.396	299,118.20	295,000.00
	12/01/2028	335,000.00	3.000%	100.511	336,711.85	335,000.00
	12/01/2029	385,000.00	3.000%	99.232	382,043.20	385,000.00
	12/01/2030	435,000.00	3.125%	99.031	430,784.85	435,000.00
	12/01/2031	495,000.00	3.125%	98.540	487,773.00	495,000.00
	12/01/2032	990,000.00	3.250%	98.748	977,605.20	990,000.00
	12/01/2033	1,215,000.00	5.000%	116.030	1,409,764.50	1,215,000.00
	12/01/2034	1,330,000.00	5.000%	115.568	1,537,054.40	1,330,000.00
	12/01/2035	1,430,000.00	3.500%	98.711	1,411,567.30	1,430,000.00
	12/01/2036	1,540,000.00	5.000%	114.925	1,769,845.00	1,540,000.00
	12/01/2037	1,675,000.00	5.000%	114.559	1,918,863.25	1,675,000.00
	12/01/2038	1,820,000.00	5.000%	114.376	2,081,643.20	1,820,000.00
Term Bond:						
	12/01/2039	1,965,000.00	5.000%	113.290	2,226,148.50	1,965,000.00
	12/01/2040	2,120,000.00	5.000%	113.290	2,401,748.00	2,120,000.00
	12/01/2041	4,910,000.00	5.000%	113.290	5,562,539.00	4,910,000.00
	12/01/2042	5,160,000.00	5.000%	113.290	5,845,764.00	5,160,000.00
	12/01/2043	5,430,000.00	5.000%	113.290	6,151,647.00	5,430,000.00
Term Bond:						
	12/01/2044	5,700,000.00	4.000%	100.814	5,746,398.00	5,700,000.00
	12/01/2045	3,035,000.00	4.000%	100.814	3,059,704.90	3,035,000.00
	12/01/2046	35,000.00	4.000%	100.814	35,284.90	35,000.00
	12/01/2047	35,000.00	4.000%	100.814	35,284.90	35,000.00
	12/01/2048	40,000.00	4.000%	100.814	40,325.60	40,000.00
		44,260,000.00			48,349,120.90	44,260,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	12/01/2048	4.000%	40,325.60	40,000.00	-	-
Entire Issue	-	-	48,349,120.90	44,260,000.00	20.8385	3.5296%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	455,569.98
Proceeds used for credit enhancement	53,505.71
Proceeds allocated to reasonably required reserve or replacement fund	0.00

PROOF OF ARBITRAGE YIELD

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Date	Debt Service	Total	Present Value to 06/28/2018 @ 3.52964335888%
12/01/2018	864,763.44	864,763.44	851,999.41
06/01/2019	1,017,368.75	1,017,368.75	984,969.30
12/01/2019	1,987,368.75	1,987,368.75	1,890,710.69
06/01/2020	993,118.75	993,118.75	928,432.06
12/01/2020	1,478,118.75	1,478,118.75	1,357,877.52
06/01/2021	980,993.75	980,993.75	885,563.76
12/01/2021	1,515,993.75	1,515,993.75	1,344,786.47
06/01/2022	967,618.75	967,618.75	843,456.17
12/01/2022	1,552,618.75	1,552,618.75	1,329,919.62
06/01/2023	952,993.75	952,993.75	802,145.12
12/01/2023	1,597,993.75	1,597,993.75	1,321,722.53
06/01/2024	936,868.75	936,868.75	761,458.60
12/01/2024	1,126,868.75	1,126,868.75	900,001.43
06/01/2025	934,018.75	934,018.75	733,040.18
12/01/2025	1,154,018.75	1,154,018.75	889,994.61
06/01/2026	930,718.75	930,718.75	705,334.78
12/01/2026	1,185,718.75	1,185,718.75	883,000.29
06/01/2027	926,893.75	926,893.75	678,283.79
12/01/2027	1,221,893.75	1,221,893.75	878,652.71
06/01/2028	28,087,468.75	28,087,468.75	19,847,176.64
12/01/2028	578,343.75	578,343.75	401,582.25
06/01/2029	238,318.75	238,318.75	162,610.65
12/01/2029	623,318.75	623,318.75	417,929.76
06/01/2030	232,543.75	232,543.75	153,214.58
12/01/2030	667,543.75	667,543.75	432,192.76
06/01/2031	225,746.88	225,746.88	143,622.29
12/01/2031	720,746.88	720,746.88	450,593.76
06/01/2032	218,012.50	218,012.50	133,932.54
12/01/2032	1,208,012.50	1,208,012.50	729,253.43
06/01/2033	201,925.00	201,925.00	119,784.18
12/01/2033	201,925.00	201,925.00	117,706.86
06/01/2034	201,925.00	201,925.00	115,665.57
12/01/2034	201,925.00	201,925.00	113,659.68
06/01/2035	201,925.00	201,925.00	111,688.58
12/01/2035	1,631,925.00	1,631,925.00	886,995.04
06/01/2036	176,900.00	176,900.00	94,482.45
12/01/2036	176,900.00	176,900.00	92,843.92
06/01/2037	176,900.00	176,900.00	91,233.81
12/01/2037	176,900.00	176,900.00	89,651.62
06/01/2038	176,900.00	176,900.00	88,096.86
12/01/2038	176,900.00	176,900.00	86,569.07
06/01/2039	176,900.00	176,900.00	85,067.78
12/01/2039	176,900.00	176,900.00	83,592.52
06/01/2040	176,900.00	176,900.00	82,142.85
12/01/2040	176,900.00	176,900.00	80,718.31
06/01/2041	176,900.00	176,900.00	79,318.48
12/01/2041	176,900.00	176,900.00	77,942.93
06/01/2042	176,900.00	176,900.00	76,591.23
12/01/2042	176,900.00	176,900.00	75,262.97
06/01/2043	176,900.00	176,900.00	73,957.75
12/01/2043	176,900.00	176,900.00	72,675.16
06/01/2044	176,900.00	176,900.00	71,414.82
12/01/2044	5,876,900.00	5,876,900.00	2,331,369.59
06/01/2045	62,900.00	62,900.00	24,519.74
12/01/2045	3,097,900.00	3,097,900.00	1,186,683.41
06/01/2046	2,200.00	2,200.00	828.12
12/01/2046	37,200.00	37,200.00	13,759.89
06/01/2047	1,500.00	1,500.00	545.21
12/01/2047	36,500.00	36,500.00	13,036.76
06/01/2048	800.00	800.00	280.78
12/01/2048	40,800.00	40,800.00	14,071.54
	69,931,557.20	69,931,557.20	48,295,615.19

Proceeds Summary

Delivery date	06/28/2018
Par Value	44,260,000.00
Premium (Discount)	4,089,120.90
Arbitrage expenses	-53,505.71
Target for yield calculation	48,295,615.19

PROOF OF ARBITRAGE YIELD

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Yield To Call/Maturity
SERIAL	12/01/2033	5.000%	3.110%	06/01/2028	100.000	3.1106196%
SERIAL	12/01/2034	5.000%	3.160%	06/01/2028	100.000	3.1606034%
SERIAL	12/01/2036	5.000%	3.230%	06/01/2028	100.000	3.2305684%
SERIAL	12/01/2037	5.000%	3.270%	06/01/2028	100.000	3.2706022%
SERIAL	12/01/2038	5.000%	3.290%	06/01/2028	100.000	3.2906764%
TERM43	12/01/2039	5.000%	3.410%	06/01/2028	100.000	3.4106014%
TERM43	12/01/2040	5.000%	3.410%	06/01/2028	100.000	3.4106014%
TERM43	12/01/2041	5.000%	3.410%	06/01/2028	100.000	3.4106014%
TERM43	12/01/2042	5.000%	3.410%	06/01/2028	100.000	3.4106014%
TERM43	12/01/2043	5.000%	3.410%	06/01/2028	100.000	3.4106014%

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Yield To Call/Maturity	Increase to Yield
SERIAL	12/01/2033	5.000%	3.110%	-	-	3.6335554%	0.5229358%
SERIAL	12/01/2034	5.000%	3.160%	-	-	3.7245834%	0.5639800%
SERIAL	12/01/2036	5.000%	3.230%	-	-	3.8607331%	0.6301648%
SERIAL	12/01/2037	5.000%	3.270%	-	-	3.9223077%	0.6517056%
SERIAL	12/01/2038	5.000%	3.290%	-	-	3.9665840%	0.6759075%
TERM43	12/01/2039	5.000%	3.410%	-	-	4.0651599%	0.6545585%
TERM43	12/01/2040	5.000%	3.410%	-	-	4.0892494%	0.6786480%
TERM43	12/01/2041	5.000%	3.410%	-	-	4.1111169%	0.7005155%
TERM43	12/01/2042	5.000%	3.410%	-	-	4.1310367%	0.7204353%
TERM43	12/01/2043	5.000%	3.410%	-	-	4.1492401%	0.7386387%

UNDERWRITER'S DISCOUNT

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Underwriter's Discount	$/1000	Amount
Average Takedown	3.11127	137,705.00
UW Counsel	1.01672	45,000.00
CUSIP	0.02320	1,027.00
DTC Fee	0.01808	800.00
i-Deal (incl NY Tax)	0.06728	2,978.02
Dalcomp (incl NY Tax)	0.00258	114.32
Gameday (incl NY Tax)	0.03266	1,445.64
Miscellaneous	0.02259	1,000.00
	4.29440	190,069.98

COST OF ISSUANCE

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

Cost of Issuance	$/1000	Amount
Bond Counsel	2.03344	90,000.00
Trustee	0.11297	5,000.00
Financial Advisor	1.86399	82,500.00
Moody's	0.74559	33,000.00
S&P	0.72300	32,000.00
Printer	0.12427	5,500.00
DAC	0.05648	2,500.00
Miscellaneous	0.33891	15,000.00
	S.99864	265,500.00

DISCLAIMER

Morgantown Utility Board
Combined Utility System Revenue Bonds, Series 2018 B
FINAL NUMBERS

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June 28, 2018

FINAL BLUE SKY MEMORANDUM

The City of Morgantown (West Virginia)
Combined Utility System Revenue Bonds
Series 2018 B

Merrill Lynch, Pierce, Fenner & Smith Incorporated,
on behalf of itself and Crews & Associates, Inc.

Ladies and Gentlemen:

We hereby confirm as of the date hereof the views expressed in our Preliminary Blue Sky Memorandum dated June 8, 2018 with respect to the Bonds described above.

Very truly yours,

Jackson Kelly PLLC

JACKSONKELLY PLLC
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June 8, 2018

PRELIMINARY BLUE SKY MEMORANDUM

The City of Morgantown (West Virginia)
Combined Utility System Revenue Bonds
Series 2018 B

Merrill Lynch, Pierce, Fenner & Smith Incorporated,
on behalf of itself and Crews & Associates, Inc.

Ladies and Gentlemen:

This Preliminary Blue Sky Memorandum relates to the requirements of the securities or "Blue Sky" laws of the jurisdictions listed herein with respect to the offer and sale of the Bonds described above (the "Bonds") to the public in the jurisdictions referred to herein by persons registered or licensed as brokers or dealers under the securities laws of such jurisdictions and to selected classes of persons in such jurisdictions by persons not registered therein as brokers or dealers.

This Preliminary Blue Sky Memorandum is based upon an examination of Section 18 of the Securities Act of 1933, as amended, statements contained in the Preliminary Official Statement, and the securities laws of the several jurisdictions and the rules and regulations, where published, of the authorities administering such laws, all as set forth in the Wolters Kluwer Blue Sky Law Reporter or upon informal interpretive advice or "no-action" letters obtained from certain securities commissions or their representatives relating to the Bonds or similar securities. Please note, however, that the securities laws of certain jurisdictions provide that the burden of claiming an exemption is upon the person claiming the exemption and that informal interpretive advice and "no-action" letters are not necessarily binding upon a court of law.

We are attorneys admitted to practice in West Virginia and we have not obtained any legal opinions of counsel in any jurisdiction or any rulings from any jurisdiction's securities commission, department or other administrative bodies or officials. Statements made or conclusions expressed in this Preliminary Blue Sky Memorandum are subject to change upon exercise of broad discretionary powers vested in administrative authorities authorizing them, among other things, to withdraw exemptions, to impose additional requirements, to refuse registrations or to issue stop orders.

In view of the foregoing limitations, this Preliminary Blue Sky Memorandum is furnished

only for your general information and is not to be relied upon as a legal opinion of counsel.

This Preliminary Blue Sky Memorandum does not purport to cover the requirements under any of the laws of the jurisdictions enumerated herein with respect to the registration or licensing of dealers, brokers, salesmen, the form or substance of advertising, the legality of investments in the Bonds by any institutional investor which is subject to statutory or other restrictions as to its investments or any resale of the Bonds by any person who may purchase them in the present offering.

Very truly yours,

Jackson Kelly PLLC

SECTION I

SALES TO THE PUBLIC

A. Jurisdictions in Which Action Is Not Required

It is believed that offers and sales of the Bonds may be made in any amount to anyone in the following jurisdictions without registration of the Bonds or any filing being made with the local securities law administrator. Such offers and sales may be made only by sellers who are registered or licensed appropriately as dealers, brokers, salespersons or sales agents within the applicable jurisdictions or who are properly exempted from such jurisdictions' sellers' registration or licensing requirements.

Alabama	Kentucky	Oklahoma
Alaska	Louisiana	Oregon
Arizona	Maine	Pennsylvania
Arkansas	Maryland	Puerto Rico
California	Massachusetts	Rhode Island
Colorado	Michigan	South Carolina
Connecticut	Minnesota	South Dakota
Delaware	Mississippi	Tennessee
District of Columbia	Missouri	Texas
Florida	Montana	Utah
Georgia	Nebraska	Vermont
Guam	New Hampshire	Virginia
Hawaii	New Jersey	Virgin Islands
Idaho	New Mexico	Washington
Illinois	New York	West Virginia
Indiana	North Carolina	Wisconsin
Iowa	North Dakota	Wyoming
Kansas	Ohio*	

*The Bonds are exempt from registration and notice filings in Ohio provided that at the time of first sale of the Bonds in Ohio there is no default in the payment of any of the interest or principal of the Bonds and there are no adjudications or pending suits adversely affecting their validity.

B. Jurisdiction in Which Sales to the Public May Not Be Made

In the following jurisdiction, it is believed that appropriate action is required by registration, the filing of notice or the payment of fees before the Bonds may be offered or sold to anyone therein other than in exempt transactions. No such action is being taken in this jurisdiction, and, therefore, no offers or sales of the Bonds may be made to anyone in this jurisdiction other than in exempt transactions:

Nevada

SECTION II

Sales to Specified Institutions and Dealers

It is assumed in this Section that the person who offers for sale or sells the Bonds in the following jurisdictions is not registered or licensed as a dealer or broker therein. In the following jurisdictions, it is believed that no action need be taken to qualify the Bonds and the seller need not be registered or licensed as a dealer or broker to offer for sale or sell the Bonds to the persons and institutions described below, as well as to dealers or brokers registered or licensed in such jurisdictions, subject to the conditions, if any, set forth below:

Alabama:

Any bank, savings institution, credit union, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

Alaska:

Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity; *provided*, that any seller who is not registered as a dealer or broker-dealer in the state has no place of business there and effects transactions therein exclusively with or through the foregoing classes of purchasers.

Arizona:

Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

Arkansas:

Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity; *provided*, that any seller who is not registered as a dealer or broker-dealer in the state has no place of business there and effects transactions therein exclusively with or through the foregoing classes of purchasers.

California:

Any bank, savings and loan association, trust company, insurance company, investment company registered under the Investment Company Act of 1940, pension or profit-sharing trust (other than a pension or profit-sharing trust of the issuer, self employed individual retirement plan or individual retirement account), or such other institutional investor or governmental agency or instrumentality that the Commissioner of Corporations may designate by rule, whether the purchaser is acting for itself or as trustee (the other institutional investors and governmental agencies or instrumentalities designated by the Commissioner by rule being any organization described in Section 501(c)(3) of the Internal Revenue Code, as amended December 29, 1981, which has total assets, including endowment, annuity and life income funds, of not less than $5,000,000 according to its most recent audited financial statement, any corporation with a consolidated net worth of not less than $14,000,000 according to its most recent audited financial statement, and any wholly-owned subsidiary of any such institutional investor, the federal government, any agency or instrumentality thereof, any corporation wholly-owned by the federal government, any state, city, city and county, or county, or any agency or instrumentality of a state, city, city and county, or county, or any state university or state college, and any retirement system for the benefit of employees of any of the foregoing public agencies); *provided*, that the purchaser represents that it is purchasing for its own account (or for such trust account) for investment and not with a view to or for sale in connection with any distribution of the security; provided further, as to all of the foregoing, that any seller not registered as a broker-dealer in California has no place of business in California and either effects transactions exclusively with a broker-dealer or is a broker-dealer registered under the Securities Exchange Act of 1934 who has not previously had any certificate denied or revoked under the California Corporate Securities Law of 1968 or any predecessor statute and does not direct offers to sell or buy into California other than to broker-dealers and the institutional investors or governmental agencies or instrumentalities listed above.

Colorado:

Any broker-dealers licensed or exempt from licensing under the Colorado Securities Act (except when the seller is acting as a clearing broker-dealer for such broker-dealers); financial or institutional investors (*"financial or institutional investor"* means any of the following: a depository institution (*"depository institution"* means any of the following: a person that is organized or chartered, or is doing business or holds an authorization certificate, under the laws of a state or of the United States which authorize the person to receive deposits, including deposits in savings, share, certificate, or other deposit accounts, and that is supervised and examined for the protection of depositors by an official or agency of a state or the United States; and a trust company or other institution that is authorized by federal or state law to exercise fiduciary powers of the type a national bank is permitted to exercise under the authority of the comptroller of the currency and is supervised and examined by an official or agency of a state or the United States; the term does not include an insurance company or other organization primarily engaged in the insurance business); an insurance company; a separate account of an insurance company; an investment company registered under the federal Investment Company Act of 1940; a business development company as defined in the federal Investment Company Act of 1940; any private business development company as defined in the federal Investment

Advisers Act of 1940; an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of five million dollars or its investment decisions are made by a named fiduciary, as defined in the federal Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the federal Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the federal Investment Advisers Act of 1940, a depository institution, or an insurance company; an entity, but not an individual, a substantial part of whose business activities consist of investing, purchasing, selling, or trading in securities of more than one issuer and not of its own issue and that has total assets in excess of five million dollars as of the end of its latest fiscal year; a small business investment company licensed by the federal small business administration under the federal Small Business Investment Act of 1958; and any other institutional buyer); *provided*, seller is registered as a broker-dealer under the federal Securities Exchange Act of 1934 and has no place of business in this state and the business transacted in this state as a broker-dealer is exclusively with the foregoing entities and institutions.

Connecticut:

Any bank and trust company, national banking association, savings bank, savings and loan association, federal savings and loan association, federal savings bank, credit union, federal credit union, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, as amended, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or as a trustee; *provided*, that any seller who is not registered as a broker-dealer in Connecticut has no place of business there and effects transactions therein exclusively with or through the foregoing classes of purchasers.

Delaware:

Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity; *provided*, that any seller who is not registered as a dealer or broker-dealer in the state has no place of business there and effects transactions therein exclusively with or through the foregoing classes of purchasers.

District of Columbia:

Any financial or institutional investor (*"financial or institutional investor"* means any of the following, whether acting for itself or others in a fiduciary capacity: a depository institution (*"depository institution"* means: a person that is organized, chartered, or holding an authorization certificate under the laws of a state or of the United States to receive deposits, including a savings, share, certificate or deposit account, and that is supervised and examined for the protection of depositors by an official or agency of a state or the United States; a trust company or other institution that is authorized by federal or state law to exercise fiduciary powers of the type a national bank is permitted to exercise under the authority of the Comptroller of the Currency and is supervised and examined by an official or agency of a state or the United

States; and "*depository institution*" does not include an insurance company or other organization primarily engaged in the insurance business, or a Morris Plan bank, industrial loan company, or a similar bank or company unless its deposits are insured by a federal agency); an insurance company; a separate account of an insurance company; an investment company registered under the Investment Company Act of 1940; a business development company as defined in the Investment Company Act of 1940; an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of $5 million, or if investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is either a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, a depository institution, or an insurance company; a "qualified institutional buyer" as defined in SEC Rule 144A); a broker-dealer; *provided*, that the seller has no place of business in the District of Columbia and effects transactions therein exclusively with the foregoing classes of purchasers.

Florida:

Any bank or trust company, savings institution, insurance company, investment company as defined by the Investment Company Act of 1940, or pension plan or profit-sharing trust, or qualified institutional buyer as defined in accordance with Securities and Exchange Commission Rule 144A (17 C.F.R. 230.144(A)(a)), whether any of such entities is acting in its individual or fiduciary capacity; *provided* that (1) the seller is registered as a dealer in Florida and (2) such offer or sale of securities is not for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of the Florida Securities and Investor Protection Act.

Georgia:

Any institutional investor; *provided*, that any seller who is not registered as a broker-dealer in the state has no place of business there and effects transactions therein exclusively with an institutional investor.

"Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (A) A depository institution or international banking institution; (B) An insurance company; (C) A separate account of an insurance company; (D) An investment company as defined in the Investment Company Act of 1940, 15 U.S.C. Section 80a-1, et seq.; (E) A broker-dealer registered under the Securities Exchange Act of 1934, 15 U.S.C. Section 78a, et seq.; (F) An employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of $10 million or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, 29 U.S.C. Section 1001, et seq., that is a broker-dealer registered under the Securities Exchange Act of 1934, 15 U.S.C. Section 78a, et seq., an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, 15 U.S.C. Section 80b-1, et seq., an investment adviser registered under the state's uniform securities act, a depository institution, or an insurance company; (G) A plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees if the plan has total assets in excess of $10 million or its investment decisions are made by a duly designated public

official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, 29 U.S.C. Section 1001, et seq., that is a broker-dealer registered under the Securities Exchange Act of 1934, 15 U.S.C. Section 78a, et seq., an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, 15 U.S.C. Section 80b-1, et seq., an investment adviser registered under the state's uniform securities act, a depository institution, or an insurance company; (H) A trust if it has total assets in excess of $ 10 million, its trustee is a depository institution, and its participants are exclusively plans of the types identified in clause (F) or (G) of this paragraph, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (I) An organization that is not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $10 million, including an organization described in subsection 501(c)(3) of the Internal Revenue Code, 26 U.S.C. Section 501(c)(3), a corporation, a Massachusetts trust or similar business trust, a limited liability company, or a partnership; (J) A small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958, 15 U.S.C. Section 681(c), with total assets in excess of $10 million; (K) A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, 15 U.S.C. Section 80b-2(a)(22), with total assets in excess of $10 million; (L) A federal covered investment adviser acting for its own account; (M) A qualified institutional buyer as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(H), 17 C.F.R. 230.144A, adopted under the Securities Act of 1933, 15 U.S.C. Section 77a, et seq.; (N) A major United States institutional investor as defined in Rule 15a-6(b)(4)(I), 17 C.F.R. 240.15a-6, adopted under the Securities Exchange Act of 1934, 15 U.S.C. Section 78a, et seq.; (O) Any other person, other than an individual, of institutional character with total assets in excess of $10 million not organized for the specific purpose of evading the state's uniform securities act; or (P) Any other person specified by rule adopted or order issued under the state's uniform securities act.

"Depository institution" means: (i) A bank; or (ii) A savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by statute by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or a successor authorized by federal law. The term does not include: (i) An insurance company or other organization primarily engaged in the business of insurance; (ii) A Morris Plan bank; or (iii) An industrial loan company that is not an 'insured depository institution' as defined in subsection 3(c)(2) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1813(c)(2), or any successor federal statute.

"Bank" means: (A) A banking institution organized under the laws of the United States; (B) A member bank of the Federal Reserve System; (C) Any other banking institution, whether incorporated or not, doing business under the laws of a state or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the Comptroller of the Currency pursuant to Section 1 of P. L. 87-722, 12 U.S.C. Section 92a, and which is supervised and examined by a state or federal agency having supervision over banks and which is not operated for the purpose of evading the state's uniform securities act; or (D) A

receiver, conservator, or other liquidating agent of any institution or firm included in clause (A), (B), or (C) of this paragraph.

"Federal covered investment adviser" means a person registered under the Investment Advisers Act of 1940, 15 U.S.C. Section 80b-1, et seq.

"Insurance company" means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state.

Guam:

Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity; *provided*, that any seller who is not registered as a dealer or broker-dealer in Guam has no place of business there and effects transactions therein exclusively with or through the foregoing classes of purchasers.

Hawaii:

See Idaho, below.

Idaho:

Any institutional investor; *provided*, that any seller who is not registered as a broker-dealer in the state has no place of business there and effects transactions therein exclusively with an institutional investor.

"Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (a) a depository institution or international banking institution, (b) an insurance company, (c) a separate account of an insurance company, (d) an investment company as defined in the Investment Company Act of 1940, (e) a broker-dealer registered under the Securities Exchange Act of 1934, (f) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the state's uniform securities act, a depository institution, or an insurance company, (g) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the state's

uniform securities act, a depository institution, or an insurance company, (h) a trust, if it has total assets in excess of ten million dollars, its trustee is a depository institution, and its participants are exclusively plans of the types identified in clause (f) or (g) of this paragraph, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans, (i) an organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Section 501(c)(3)), a corporation, Massachusetts trust or similar business trust, a limited liability company, or a partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars, (j) a small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. Section 681(c)) with total assets in excess of ten million dollars, (k) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-2(a)(22)) with total assets in excess of ten million dollars, (l) a federal covered investment adviser acting for its own account, (m) a "qualified institutional buyer" as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933 (17 C.F.R. 230.144A), (n) a "major U.S. institutional investor" as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 C.F.R. 240.15a-6), (o) any other person, other than an individual, of institutional character with total assets in excess of ten million dollars not organized for the specific purpose of evading the state's uniform securities act, or (p) any other person specified by rule adopted or order issued under the state's uniform securities act.

"Depository institution" means: (a) a bank or (b) a savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by statute by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, or a successor authorized by federal law. The term does not include: (i) an insurance company or other organization primarily engaged in the business of insurance, (ii) a Morris Plan bank, or (iii) an industrial loan company.

"Bank" means: (a) banking institution organized under the laws of the United States, (b) a member bank of the Federal Reserve System, (c) any other banking institution, whether incorporated or not, doing business under the laws of a state or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the Comptroller of the Currency pursuant to Section 1 of United States Public Law 87-722, 12 United States Code, Section 92a, and that is supervised and examined by a state or federal agency having supervision over banks and that is not operated for the purpose of evading the state's uniform securities act, or (d) a receiver, conservator or other liquidating agent of any institution or firm described in the foregoing clauses (a), (b) or (c).

"Federal covered investment adviser" means a person registered under the Investment Advisers Act of 1940.

"Insurance company" means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state.

Illinois:

Any corporation, bank, savings bank, savings institution, savings and loan association, trust company, insurance company, building and loan association, pension fund or pension trust, employees' profit-sharing trust, other financial institution (including, but not limited to, a manager of investment accounts on behalf of other than natural persons who, with affiliates, exercises sole investment discretion with respect to such accounts; *provided*, that such accounts exceed 10 in number and have a fair market value of not less than $10,000,000 at the end of the calendar month preceding the offering of the securities) or institutional investor (including, but not limited to, any investment company, university, or other organization whose primary purpose is to invest its own assets or those held in trust by it for others; trust accounts and individual or group retirement accounts in which a bank, trust company, insurance company or savings and loan institution acts in a fiduciary capacity; and foundations and endowment funds exempt from taxation under the Internal Revenue Code, a principal business function of which is to invest funds to produce income in order to carry out the purpose of the foundation or fund), any government or political subdivision or instrumentality thereof, whether the purchaser is acting for itself or in some fiduciary capacity; or any partnership or other association engaged as a substantial part of its business or operations in purchasing or holding securities, or any trust in respect of which a bank or trust company is trustee or co-trustee; or any employee benefit plan within the meaning of Title I of the Federal ERISA Act if (i) the investment decision is made by a plan fiduciary as defined in Section 3(21) of the Federal ERISA Act and such plan fiduciary is either a bank, savings and loan association, insurance company, registered investment adviser or an investment adviser registered under the Federal 1940 Investment Advisers Act or (ii) the plan has total assets in excess of $5,000,000 or (iii) in the case of a self-directed plan, investment decisions are made solely by persons that are described in this paragraph; *provided*, however, that any seller who is not registered as a dealer or broker-dealer in the state is not regularly engaged in the business of offering or selling securities in reliance upon the exemptions set forth in Sections 4.G or 4.M. (relating to limited offerings and preorganization subscriptions) of the Illinois Securities Act of 1953.

Indiana:

See Minnesota, below.

Iowa:

Any institutional investor; *provided*, that any seller who is not registered as a broker-dealer in the state has no place of business there and effects transactions therein exclusively with an institutional investor.

"Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (a) a depository institution or international banking institution, (b) an

insurance company, (c) a separate account of an insurance company, (d) an investment company as defined in the Investment Company Act of 1940, (e) a broker-dealer registered under the Securities Exchange Act of 1934, (f) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of five million dollars or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the Iowa Uniform Securities Act, a depository institution, or an insurance company, (g) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of five million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the Iowa Uniform Securities Act, a depository institution, or an insurance company, (h) a trust, if it has total assets in excess of five million dollars, its trustee is a depository institution, and its participants are exclusively plans of the types identified in clause (f) or (g) of this paragraph, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans, (i) an organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Section 501(c)(3)), a corporation, Massachusetts trust or similar business trust, a limited liability company, or a partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of five million dollars, (j) a small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. Section 681(c)) with total assets in excess of five million dollars, (k) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-2(a)(22)) with total assets in excess of five million dollars, (l) a federal covered investment adviser acting for its own account, (m) a "qualified institutional buyer" as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933 (17 C.F.R. 230.144A), (n) a "major U.S. institutional investor" as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 C.F.R. 240.15a-6), (o) any other person, other than an individual, of institutional character with total assets in excess of five million dollars not organized for the specific purpose of evading the Iowa Uniform Securities Act, or (p) any other person specified by rule adopted or order issued under the Iowa Uniform Securities Act.

"Depository institution" means: (a) a bank or (b) a savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by statute by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, or a successor authorized by federal law. The term does not include: (i) an insurance company or other organization primarily engaged in the business of insurance, (ii) a Morris Plan bank, or (iii) an industrial loan company.

"Bank" means: (a) banking institution organized under the laws of the United States, (b) a member bank of the Federal Reserve System, (c) any other banking institution, whether incorporated or not, doing business under the laws of a state or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the Comptroller of the Currency pursuant to Section 1 of United States Public Law 87-722, 12 United States Code, Section 92a, and that is supervised and examined by a state or federal agency having supervision over banks and that is not operated for the purpose of evading the Iowa Uniform Securities Act, or (d) a receiver, conservator or other liquidating agent of any institution or firm described in the foregoing clauses (a), (b) or (c).

"Federal covered investment adviser" means a person registered under the Investment Advisers Act of 1940.

"Insurance company" means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state.

Kansas:

See Idaho, above.

Kentucky:

Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity; *provided*, that any seller who is not registered as a dealer or broker-dealer in the state has no place of business there and effects transactions therein exclusively with or through the foregoing classes of purchasers.

Louisiana:

Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, as now or hereafter amended, real estate investment trust, small business investment corporation, pension or profit-sharing plan or trust, or other financial institution, whether the purchaser is acting for itself or in some fiduciary capacity.

Maine:

See Idaho above, except that in clauses (j) and (k) of the definition of "institutional investor" the amount of ten million dollars should be changed to read five million dollars.

Maryland:

Any investment company as defined in the Investment Company Act of 1940, a bank, trust company, savings and loan association or insurance company, whether acting for itself or as trustee, *provided,* that any seller who is not registered as a dealer or broker in the state has no place of business there and effects transactions therein exclusively with or through the foregoing classes of purchasers.

Massachusetts:

Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer ("*Institutional Buyer*" includes, but is not limited to, the following: (1) a Small Business Investment Company licensed by the U.S. Small Business Administration under the Small Business Investment Act of 1958, as amended; (2) a private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940, as amended; (3) a Business Development Company as defined in Section 2(a)(48) of the Investment Company Act of 1940, as amended; (4) an entity with total assets in excess of $5 million and which is either: (a) a company (whether a corporation, a Massachusetts or similar business trust, a partnership, a limited liability company or a limited liability partnership) not formed for the specific purpose of acquiring the securities offered; a substantial part of whose business activities consists of investing, purchasing, selling or trading in securities issued by others and whose investment decisions made by persons who are reasonably believed by the seller to have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investment; or (b) an organization described in Section 501(c)(3) of the Internal Revenue Code; and (5) a Qualified Institutional Buyer as defined in 17 CFR 230.144A(a)), whether the purchaser is acting for itself or in some fiduciary capacity; *provided*, that any seller who is not registered as a dealer or broker-dealer in the state has no place of business there and effects transactions therein exclusively with or through the foregoing classes of purchasers.

Michigan:

Any institutional investor; *provided*, that any seller who is not registered as a broker-dealer in the state has no place of business there and effects transactions therein exclusively with an institutional investor.

"Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (i) a depository institution or international banking institution, (ii) an insurance company, (iii) a separate account of an insurance company, (iv) an investment company as defined in the investment company act of 1940, (v) a broker-dealer registered under the securities exchange act of 1934, (vi) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of $2,500,000 or its investment decisions are made by a named fiduciary, as defined in the employee retirement income security act of 1974, that is a broker-dealer registered under the securities exchange act of 1934, an investment adviser registered or exempt from registration under the investment advisers act of 1940, an investment adviser

registered under the state's uniform securities act, a depository institution, or an insurance company, (vii) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of $2,500,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the employee retirement income security act of 1974, that is a broker-dealer registered under the securities exchange act of 1934, an investment adviser registered or exempt from registration under the investment advisers act of 1940, an investment adviser registered under the state's uniform securities act, a depository institution, or an insurance company, (viii) a trust, if it has total assets in excess of $2,500,000, its trustee is a depository institution, and its participants are exclusively plans of the types identified in clauses (vi) or (vii), regardless of size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans, (ix) an organization described in section 501(c)(3) of the internal revenue code, 26 USC 501, a corporation, Massachusetts or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $2,500,000, (x) a small business investment company licensed by the small business administration under section 301(c) of the small business investment act of 1958, 15 USC 681, with total assets in excess of $2,500,000, (xi) a business development company as defined in section 202(a)(22) of the investment advisers act of 1940, 15 USC 80b-2, with total assets in excess of $2,500,000, (xii) a federal covered investment adviser acting for its own account, (xiii) a "qualified institutional buyer" as defined in rule 144A(a)(1), other than rule 144A(a)(1)(i)(H), adopted under the securities act of 1933, 17 CFR 230.144A, (xiv) A "major U.S. institutional investor" as defined in rule 15a-6(b)(4)(i) adopted under the securities exchange act of 1934, 17 CFR 240.15a-6(b)(4)(i), (xv) any other person, other than an individual, of institutional character with total assets in excess of $2,500,000 not organized for the specific purpose of evading the state's uniform securities act, and (xvi) any other person specified by rule or order under the state's uniform securities act.

"Depository institution" means a bank; or a savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by federal statute by the federal deposit insurance corporation, the national credit union share insurance fund, or a successor authorized by federal law; or a bank that does not receive deposits because of a limitation in its charter, articles of incorporation, or articles of association. The term does not include any of the following: (i) an insurance company or other organization primarily engaged in the business of insurance, (ii) a Morris Plan bank, or (iii) an industrial loan company that is not an insured depository institution, as that term is defined in section 3(c)(2) of the federal deposit insurance act, 12 USC 1813(c)(2).

"Bank" means any of the following: (i) a banking institution organized under the laws of the United States, (ii) a member bank of the federal reserve system, (iii) any other banking institution that meets all of the following: (A) it is doing business under the laws of a state or of the United States, (B) a substantial portion of its business consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the comptroller of the currency pursuant to 12 USC 92a, (C) it is supervised and

examined by a state or federal agency having supervision over banks, and (D) it is not operated for the purpose of evading the state's uniform securities act, (iv) a receiver, conservator, or other liquidating agent of any institution or firm included in clauses (i), (ii), or (iii).

"Federal covered investment adviser" means a person registered under the investment advisers act of 1940.

"Insurance company" means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state.

Minnesota:

Any institutional investor; *provided*, that any seller who is not registered as a broker-dealer in the state has no place of business there and effects transactions therein exclusively with an institutional investor.

"Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (a) a depository institution or international banking institution, (b) an insurance company, (c) a separate account of an insurance company, (d) an investment company as defined in the Investment Company Act of 1940, (e) a broker-dealer registered under the Securities Exchange Act of 1934, (f) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the state's uniform securities act, a depository institution, or an insurance company, (g) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the state's uniform securities act, a depository institution, or an insurance company, (h) a trust, if it has total assets in excess of ten million dollars, its trustee is a depository institution, and its participants are exclusively plans of the types identified in clause (f) or (g) of this paragraph, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans, (i) an organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Section 501(c)(3)), a corporation, Massachusetts trust or similar business trust, a limited liability company, or a partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars, (j) a small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. Section 681(c)) with total assets in excess of ten million dollars, (k) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940

(15 U.S.C. Section 80b-2(a)(22)) with total assets in excess of ten million dollars, (l) a federal covered investment adviser acting for its own account, (m) a "qualified institutional buyer" as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933 (17 C.F.R. 230.144A), (n) a "major U.S. institutional investor" as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 C.F.R. 240.15a-6), (o) any other person, other than an individual, of institutional character with total assets in excess of ten million dollars not organized for the specific purpose of evading the state's uniform securities act, or (p) any other person specified by rule adopted or order issued under the state's uniform securities act.

"Depository institution" means: (a) a bank or (b) a savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by statute by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, or a successor authorized by federal law. The term does not include: (i) an insurance company or other organization primarily engaged in the business of insurance, (ii) a Morris Plan bank, or (iii) an industrial loan company that is not an "insured depository institution" as defined in section 3(c)(2) of the Federal Deposit Insurance Act, United States Code, title 12, section 1813(c)(2), or any successor federal statute.

"Bank" means: (a) banking institution organized under the laws of the United States, (b) a member bank of the Federal Reserve System, (c) a banking institution, whether incorporated or not, doing business under the laws of a state or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the Comptroller of the Currency pursuant to Section 1 of United States Public Law 87-722, 12 United States Code, Section 92a, and that is supervised and examined by a state or federal agency having supervision over banks and that is not operated for the purpose of the state's uniform securities act, or (d) a receiver, conservator or other liquidating agent of any institution or firm described in the foregoing clauses (a), (b) or (c).

"Federal covered investment adviser" means a person registered under the Investment Advisers Act of 1940.

"Insurance company" means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state.

Mississippi:

Any institutional investor; *provided*, that any seller who is not registered as a broker-dealer in the state has no place of business there and effects transactions therein exclusively with an institutional investor.

"Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (A) A depository institution or international banking institution; (B) An

insurance company; (C) A separate account of an insurance company; (D) An investment company as defined in the Investment Company Act of 1940; (E) A broker-dealer registered under the Securities Exchange Act of 1934; (F) An employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the state's uniform securities act, a depository institution, or an insurance company; (G) A plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the state's uniform securities act, a depository institution, or an insurance company; (H) A trust, if it has total assets in excess of ten million dollars, its trustee is a depository institution, and its participants are exclusively plans of the types identified in clause (F) or (G), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (I) An organization described in Section 501(c)(3) of the Internal Revenue Code (26 USC Section 501(c)(3)), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars; (J) A small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958 (15 USC Section 681(c)) with total assets in excess of ten million dollars; (K) A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (15 USC Section 80b-2(a)(22)) with total assets in excess of ten million dollars; (L) A federal covered investment adviser acting for its own account; (M) A "qualified institutional buyer" as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933 (17 CFR 230.144A); (N) A "major U.S. institutional investor" as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 CFR 240.15a-6); (O) Any other person, other than an individual, of institutional character with total assets in excess of ten million dollars not organized for the specific purpose of evading the state's uniform securities act; or (P) Any other person specified by rule adopted or order issued under the state's uniform securities act.

"Depository institution" means: (A) A bank; or (B) A savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by statute by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, or a successor authorized by federal law. The term does not include: (i) An insurance company or other organization primarily engaged in the business of insurance; (ii) A Morris Plan bank; or (iii) An industrial loan company that is not an

"insured depository institution" as defined in Section 3(c)(2) of the Federal Deposit Insurance Act, 12 USC 1813(c)(2), or any successor federal statute.

"Bank" means: (A) A banking institution organized under the laws of the United States; (B) A member bank of the Federal Reserve System; (C) Any other banking institution, whether incorporated or not, doing business under the laws of a state or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the Comptroller of the Currency pursuant to Section 1 of Public Law 87-722 (12 USC Section 92a), and which is supervised and examined by a state or federal agency having supervision over banks, and which is not operated for the purpose of evading the state's uniform securities act; and (D) A receiver, conservator, or other liquidating agent of any institution or firm included in clause (A), (B) or (C).

"Federal covered investment adviser" means a person registered under the Investment Advisers Act of 1940.

"Insurance company" means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state.

Missouri:

See Idaho, above.

Montana:

Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity; *provided*, that any seller who is not registered as a dealer or broker-dealer in the state has no place of business there and effects transactions therein exclusively with or through the foregoing classes of purchasers.

Nebraska:

Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

Nevada:

Any financial or institutional investor (*"financial or institutional investor"* means a depository institution (defined as any person (person is defined to include a government, government agency or political subdivision of a government) that is organized, chartered or holding an

authorization certificate under the laws of a state or of the United States which authorizes the person to receive deposits, including a savings, share, certificate or deposit account, and that is supervised and examined for the protection of depositors by an official or agency of a state or the United States or any trust company or other institution that is authorized by federal or state law to exercise fiduciary powers of the type a national bank is permitted to exercise under the authority of the Comptroller of the Currency and is supervised and examined by an official or agency of a state or the United States, provided the term "depository institution" does not include any insurance company or other organization primarily engaged in the insurance business, a Morris Plan bank, industrial loan company, or a similar bank or company unless its deposits are insured by a federal agency); insurance company; a separate account of an insurance company; an investment company as defined in the Investment Company Act of 1940; an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of $5,000,000 or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is either a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser under the Investment Advisers Act of 1940, a depository institution, or an insurance company, and any other institutional buyer); *provided*, that the seller either is registered or is not required to be registered as a broker-dealer under the Securities Exchange Act of 1934 and has no place of business in Nevada and effects transactions therein exclusively with the foregoing classes of purchasers.

New Hampshire:

Any institutional investor; *provided,* that any seller who is not registered as a broker-dealer in New Hampshire has no place of business therein and effects transaction therein exclusively with an Institutional investor:

"Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (A) a depository institution, trust company, or international banking institution; (B) an insurance company; (C) a separate account of an insurance company; (D) an investment company as defined in the Investment Company Act of 1940; (E) a broker-dealer registered under the Securities Exchange Act of 1934; (F) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of $10,000,000 or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the New Hampshire Uniform Securities Act, a depository institution, a trust company, or an insurance company; (G) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of $10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the New Hampshire Uniform Securities Act, a depository institution, a trust company, or an insurance company; (H) a trust, if it has total assets in excess of $10,000,000, its trustee is a depository institution or trust company, and its participants are

exclusively plans of the types identified in the foregoing clauses (F) or (G), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (I) an organization described in 26 U.S.C. section 501(c)(3), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $10,000,000; (J) a small business investment company licensed by the Small Business Administration under the Small Business Investment Act of 1958, 15 U.S.C. section 681(c) with total assets in excess of $10,000,000; (K) a private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940, 15 U.S.C. section 80b-2(a)(22), with total assets in excess of $10,000,000; (L) a federal covered investment adviser acting for its own account; (M) a "qualified institutional buyer" as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933, 17 C.F.R. 230.144A; (N) a "major U.S. institutional investor" as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934, 17 C.F.R. 240.15a-6; (O) any other person, other than an individual, of institutional character with total assets in excess of $25,000,000 not organized for the specific purpose of evading the New Hampshire Uniform Securities Act; or
(P) any other person specified by order issued under the New Hampshire Uniform Securities Act.

"Depository institution" means: (A) a bank; or (B) a savings institution, trust company, credit union or similar institution, whether incorporated or not, doing business under the laws of a state or of the United States, a substantial portion of the business of which consists of receiving deposits or share accounts insured to the maximum amount authorized by statute by the Federal Deposit Insurance Corporation, National Credit Union Share Insurance Fund or a successor authorized by federal law and which is supervised and examined by a state or federal agency having supervision over such institutions, and which is not operated for the purpose of evading the New Hampshire Uniform Securities Act. The term does not include: (i) an insurance company or other organization primarily engaged in the business of insurance; (ii) a Morris Plan bank; or (iii) an industrial loan company that is not an "insured depository institution" as defined in the Federal Deposit Insurance Act, 12 U.S.C. section 1813(c)(2), or any successor federal statute. (C) The inclusion of an institution in this definition shall not be construed as a grant of power or authority for such institution to engage in activities under the New Hampshire Uniform Securities Act that are not permitted under the laws governing such institution.

"Bank" means any of the following: (A) a banking institution organized under the laws of the United States; (B) a member bank of the Federal Reserve System; (C) a bank organized under the laws of the state of New Hampshire; (D) a trust company; (E) any other banking institution, whether incorporated or not, doing business under the laws of a State or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the Comptroller of the Currency pursuant to section 1 of Public Law 87-722 12 U.S.C. section 92a, and which is supervised and examined by a state or federal agency having supervision over banks, and which is not operated for the purpose of evading the New Hampshire Uniform Securities Act; and (F) a receiver, conservator, or other liquidating agent of any institution or firm included in the foregoing clauses (A), (B), (C), (D), or (E).

"Federal covered investment adviser" means a person registered under the Investment Advisors Act of 1940.

"Insurance company" means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state.

New Jersey:

Any bank, savings institution (*"savings institution"* means any savings and loan association or building and loan association operating pursuant to the Savings and Loan Act of New Jersey, and any federal savings and loan association and any association or credit union organized under the laws of the United States or of any state whose accounts are insured by a federal corporation or agency), trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity; *provided*, that any seller who is not registered as a broker-dealer in New Jersey effects transactions exclusively with or through the foregoing classes of purchasers.

New Mexico:

Any institutional investor; *provided*, that any seller who is not registered as a broker-dealer in the state has no place of business therein and effects transactions therein exclusively with an institutional investor.

"Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (i) a depository institution or international banking institution, (ii) an insurance company, (iii) a separate account of an insurance company, (iv) an investment company as defined in the investment company act of 1940, (v) a broker-dealer registered under the securities exchange act of 1934, (vi) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars or its investment decisions are made by a named fiduciary, as defined in the employee retirement income security act of 1974, that is a broker-dealer registered under the securities exchange act of 1934, an investment adviser registered or exempt from registration under the investment advisers act of 1940, an investment adviser registered under the state's uniform securities act, a depository institution, or an insurance company, (vii) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the employee retirement income security act of 1974, that is a broker-dealer registered under the securities exchange act of 1934, an investment adviser registered or exempt from registration under the investment advisers act of 1940, an investment adviser registered under the state's uniform securities act, a depository institution, or an insurance company, (viii) a trust, if it has total assets in excess of ten million dollars, its trustee is a depository institution, and its participants are exclusively plans of the types identified in clauses (vi) or (vii), regardless of size of their assets, except a trust that includes as participants self-directed individual retirement

accounts or similar self-directed plans, (ix) an organization described in section 501(c)(3) of the internal revenue code, 26 USC 501, a corporation, Massachusetts or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars, (x) a small business investment company licensed by the small business administration under section 301(c) of the small business investment act of 1958, 15 USC 681, with total assets in excess of ten million dollars, (xi) a private business development company as defined in section 202(a)(22) of the investment advisers act of 1940, 15 USC 80b-2(a)(22), with total assets in excess of ten million dollars, (xii) a federal covered investment adviser acting for its own account, (xiii) a "qualified institutional buyer" as defined in rule 144A(a)(1), other than rule 144A(a)(1)(i)(H), adopted under the securities act of 1933, 17 CFR 230.144A, (xiv) A "major U.S. institutional investor" as defined in rule 15a-6(b)(4)(i) adopted under the securities exchange act of 1934, 17 CFR 240.15a-6(b)(4)(i), (xv) any other person, other than an individual, of institutional character with total assets in excess of ten million dollars not organized for the specific purpose of evading the state's uniform securities act, and (xvi) any other person specified by rule or order under the state's uniform securities act.

"Depository institution" means a bank; or a savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by federal statute by the federal deposit insurance corporation, the national credit union share insurance fund, or a successor authorized by federal law; or a receiver, conservator or other liquidating agent or such institutions or entities. "Depository institution" does not include: (i) an insurance company or other organization primarily engaged in the business of insurance, (ii) a Morris Plan bank, or (iii) an industrial loan company that is not an "insured depository institution" as defined in section 3(c)(2) of the federal deposit insurance act, 12 USC 1813(c)(2), or any successor federal statute.

"Bank" means: (i) a banking institution organized pursuant to the laws of the United States, (ii) a member bank of the federal reserve system, (iii) any other banking institution, whether incorporated or not, doing business under the laws of a state or of the United States, a substantial portion of its business consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks pursuant to the authority of the comptroller of the currency pursuant to Section 1 of Public Law 87-722 (12 USC 92a) and that is supervised and examined by a state or federal agency having supervision over banks, and that is not operated for the purpose of evading the state's uniform securities act, and (iv) a receiver, conservator, or other liquidating agent of any institution or firm included in clauses (i), (ii), or (iii).

"Federal covered investment adviser" means a person registered under the federal investment advisers act of 1940.

"Insurance company" means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and that is subject to supervision by the insurance commissioner or a similar official or agency of a state.

New York:

Any bank (*"bank"* means a state or national bank, trust company or savings institution incorporated under the laws and subject to the examination, supervision and control of any state or of the United States or of any insular possession thereof), syndicate, corporation or group formed for the specific purpose of acquiring such securities for resale to the public directly or through other syndicates or groups, or any person purchasing such securities on the floor of any securities exchange registered as a national securities exchange under the Securities Exchange Act of 1934.

North Carolina:

Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity; *provided*, that any seller who is not registered as a dealer or broker-dealer in the state has no place of business there and effects transactions therein exclusively with or through the foregoing classes of purchasers.

North Dakota:

Any institutional investor; *provided*, that any seller who is not registered as a broker-dealer in the state has no place of business there and effects transactions therein exclusively with an institutional investor.

"Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: a. A depository institution or international banking institution; b. An insurance company; c. A separate account of an insurance company; d. An investment company as defined in the Investment Company Act of 1940; e. A broker-dealer under the Securities Exchange Act of 1934; f. An employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the state's securities act, a depository institution, or an insurance company; g. A plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the state's securities act, a depository institution, or an insurance company; h. A trust, if it has total assets in excess of ten million dollars, its trustee is a depository institution, and its participants are exclusively plans of the types identified in clause f. or g., regardless of the size of their assets, except a trust that

includes as participants self-directed individual retirement accounts or similar self-directed plans; i. An organization described in section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars; j. A small business investment company licensed by the small business administration under section 301(c) of the Small Business Investment Act of 1958 with total assets in excess of ten million dollars; k. A private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940 with total assets in excess of ten million dollars; l. A federal covered investment adviser acting for its own account; m. A qualified institutional buyer as defined in rule 144A(a)(1), other than rule 144(a)(1)(i)(H), adopted under the Securities Act of 1933; n. A major United States institutional investor as defined in rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934; or o. Any other person, other than an individual, of institutional character with total assets in excess of ten million dollars not organized for the specific purpose of evading the state's securities act.

"Depository institution" means: a. A bank; or b. A savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by statute by the federal deposit insurance corporation, the national credit union shares insurance fund, or a successor authorized by federal law. The term does not include: (1) An insurance company or other organization primarily engaged in the business of insurance: (2) A Morris plan bank; or (3) An industrial loan company.

"Bank" means: a. A bank institution organized under the laws of the United States; b. A member bank of the federal reserve system; c. Any other banking institution, whether or not incorporated, doing business under the laws of a state or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the comptroller of the currency pursuant to section 1 of Public Law 87-722, and which is supervised and examined by a state or federal agency having supervision over banks, and which is not operated for the purpose of evading the state's securities act; and d. A receiver, conservator, or other liquidating agent of any institution or firm included in clause a., b., or c.

"Federal covered adviser" means a person who is registered under Section 203 of the Investment Advisers Act of 1940.

Ohio:

An unlicensed Ohio dealer may sell to any licensed Ohio dealer. In addition, a licensed Ohio dealer may sell to the issuer, a dealer or an institutional investor.

"Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (1) A bank or international banking institution; (2) An insurance company; (3) A separate account of an insurance company; (4) An investment company as defined in the "Investment Company Act of 1940," 15 U.S.C. 80a-3; (5) A broker-dealer registered under the "Securities Exchange Act of 1934," 15 U.S.C. 78o, as amended, or licensed by the division of

securities as a dealer; (6) An employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars or its investment decisions are made by a named fiduciary, as defined in the "Employee Retirement Income Security Act of 1974," 29 U.S.C. 1001, that is one of the following: (a) A broker-dealer registered under the "Securities Exchange Act of 1934," 15 U.S.C. 78o, as amended; (b) An investment adviser registered or exempt from registration under the "Investment Advisers Act of 1940," 15 U.S.C. 80b-3; (c) An investment adviser registered under this chapter, a bank, or an insurance company; (7) A plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the "Employee Retirement Income Security Act of 1974," 29 U.S.C. 1001, that is one of the following: (a) A broker-dealer registered under the "Securities Exchange Act of 1934," 15 U.S.C. 78o, as amended; (b) An investment adviser registered or exempt from registration under the "Investment Advisers Act of 1940," 15 U.S.C. 80b-3; (c) An investment adviser registered under this chapter, a bank, or an insurance company. (8) A trust, if it has total assets in excess of ten million dollars, its trustee is a bank, and its participants are exclusively plans of the types identified in division (S)(6) or (7) of this section, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (9) An organization described in section 501(c)(3) of the "Internal Revenue Code of 1986," 26 U.S.C. 1, as amended, corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars; (10) A small business investment company licensed by the small business administration under section 301(c) of the "Small Business Investment Act of 1958," 15 U.S.C. 681(c), with total assets in excess of ten million dollars; (11) A private business development company as defined in section 202(a)(22) of the "Investment Advisers Act of 1940," 15 U.S.C. 80b-2(a)(22), with total assets in excess of ten million dollars; (12) A federal covered investment adviser acting for its own account; (13) A "qualified institutional buyer" as defined in 17 C.F.R. 230.144A(a)(1), other than 17 C.F.R. 230.144A(a)(1)(H); (14) A "major U.S. institutional investor" as defined in 17 C.F.R. 240.15a-6(b)(4)(i); (15) Any other person, other than an individual, of institutional character with total assets in excess of ten million dollars not organized for the specific purpose of evading the Ohio Securities Act; (16) Any other person specified by rule adopted or order issued under the Ohio Securities Act.

"Bank" means any bank, trust company, savings and loan association, savings bank, or credit union that is incorporated or organized under the laws of the United States, any state of the United States, Canada, or any province of Canada and that is subject to regulation or supervision by that country, state, or province.

Oklahoma:

See Idaho, above.

Oregon:

Any bank, savings institution, trust company, insurance company, investment company, pension or profit-sharing trust, or other financial institution or institutional buyer (including, but not

limited to, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the United States Department of Veterans Affairs and the Government National Mortgage Association), or to a mortgage broker or a mortgage banker, whether the purchaser is acting for itself or in a fiduciary capacity when the purchaser has discretionary authority to make investment decisions, *provided* that the transaction is not part of an attempt to evade fraudulently any provision of the Oregon Securities Law and *provided further* any seller who is not registered as a broker-dealer in Oregon effects transactions exclusively with or through registered or licensed dealers or brokers or with the foregoing and has no place of business in Oregon.

Pennsylvania:

Any bank, insurance company, pension or profit-sharing plan or trust (except a municipal pension plan or system), investment company as defined in the Investment Company Act of 1940, or any person, other than an individual, which controls any of the foregoing, the Federal government, state, or any agency or political subdivision thereof, except Pennsylvania public school districts, or any person so designated by regulation of the Pennsylvania Securities Commission, whether the buyer is acting for itself or in some fiduciary capacity). *"Municipal pension plan or system"* means a pension plan or system provided by a municipality as those terms are defined in section 102 of the Pennsylvania Municipal Pension Plan Funding Standard and Recover[y] Act.

Puerto Rico:

Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Companies Act of Puerto Rico, pension or profit-sharing trust with assets of at least $1,000,000, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity; *provided*, that any seller who is not registered as a broker-dealer in Puerto Rico has no place of business there and effects transactions exclusively with or through the foregoing classes of purchasers.

Rhode Island:

Any registered or exempt broker-dealer or financial or institutional investor (*"financial or institutional investor"* means any of the following, whether acting for itself or another in a fiduciary capacity: a depository institution (*"depository institution"* means: a person which is organized, chartered, or holding an authorization certificate under the laws of a state or of the United States which authorizes the person to receive deposits, including a savings, share, certificate or deposit account, and which is supervised and examined for the protection of depositors by an official or agency of a state or the United States; a trust company or other institution that is authorized by federal or state law to exercise fiduciary powers of the type a national bank is permitted to exercise under the authority of the comptroller of the currency and is supervised and examined by an official or agency of a state or the United States; and "*depository institution*" does not include an insurance company or other organization primarily engaged in the insurance business, or a Morris plan bank, industrial loan company, or a similar bank or company unless its deposits are insured by a federal agency); an insurance company; a

separate account of an insurance company; an investment company as defined in the Investment Company Act of 1940; an employee pension, profit sharing or benefit plan if the plan has total assets in excess of five million dollars ($5,000,000), or if investment decisions are made by a plan fiduciary, as defined in the Employee Retirement Income Security Act of 1974, which is either a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, a depository institution, or an insurance company; and any other institutional buyer); *provided*, that the seller either is registered or is not required to be registered as a broker-dealer under the Securities Exchange Act of 1934 and has no place of business in Rhode Island and effects transactions therein exclusively with the foregoing classes of purchasers.

South Carolina:

See Idaho, above.

South Dakota:

See Idaho, above.

Tennessee:

Any institutional investor (*"institutional investor"* means any bank, unless the bank is acting as a broker-dealer, as such term is defined in the Tennessee Securities Act of 1980, trust company, insurance company, investment company registered under the Investment Company Act of 1940, as amended, a holding company which controls any of the foregoing, a trust or fund over which any of the foregoing has or shares investment discretion, a pension or profit-sharing plan, an institutional buyer (as the commissioner may define by rule) or any other person engaged as a substantial part of its business in investing in securities, unless such other person is within the definition of a broker-dealer, in each case having a net worth in excess of $1,000,000); *provided*, that any seller who is not registered as a broker-dealer in Tennessee has no place of business there, is registered as a broker-dealer with the Securities and Exchange Commission or the Financial Industry Regulatory Authority, and effects transactions in Tennessee exclusively with or through the foregoing classes of purchasers.

Texas:

Any registered dealer actually engaged in buying and selling securities; any bank, trust company, building and loan association, insurance company, surety or guaranty company, savings institution (including any federally chartered credit union, savings and loan association or federal savings bank, and any credit union or savings and loan association chartered under the laws of any state of the United States); investment company as defined in the Investment Company Act of 1940; small business investment company as defined in the Small Business Investment Act of 1958, as amended; any qualified institutional buyer under SEC Rule 144A(1); or any corporation, partnership, trust, estate, or other entity (excluding individuals) having net worth of not less than $5 million or a wholly-owned subsidiary of such entity, as long as the entity was not formed for the purpose of acquiring the Bonds (for purposes of determining a purchaser's

total assets or net worth, the seller may rely upon the entity's most recent annual balance sheet or other financial statement which shall have been audited by an independent accountant or which shall have been verified by a principal of the purchaser); *provided,* that such financial institutions or other institutional investors are acting for their own account or as a bona fide trustee of a trust organized and existing other than for the purpose of acquiring the Bonds.

Utah:

Any depository institution (as defined in Section 7-1-103, Utah Code), trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity; *provided,* that any seller who is not registered as a dealer or broker-dealer in the state has no place of business there and effects transactions therein exclusively with or through the foregoing classes of purchasers.

Vermont:

See Idaho, above.

Virginia:

Any corporation, investment company, or pension or profit-sharing trust.

Virgin Islands:

Any institutional investor; *provided,* that any seller who is not registered as a broker-dealer in the Virgin Islands has no place of business there and effects transactions therein exclusively with an institutional investor.

"Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (a) a depository institution or international banking institution; (b) an insurance company; (c) a separate account of an insurance company; (d) an investment company as defined in the Investment Company Act of 1940; (e) a broker-dealer registered under the Securities Exchange Act of 1934; (f) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the Virgin Islands Uniform Securities Act, a depository institution, or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the Virgin

Islands Uniform Securities Act, a depository institution, or an insurance company; (h) a trust, if it has total assets in excess of ten million dollars, its trustee is a depository institution, and its participants are exclusively plans of the types identified in clause (f) or (g) of this paragraph, regardless of size of assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) an organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Section 501(c)(3)), a corporation, Massachusetts trust and or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars; (j) a small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. Section 681(c)) with total assets in excess of ten million dollars; (k) a private business development company as defined in Section 612(a)(22) of the Investment Advisers Act of 1940 (15 U.S.C. §80b-2(a)(22)) with total assets in excess of ten million dollars; (l) a federal covered investment adviser acting for its own account; (m) a "qualified institutional buyer" as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(H), adopted under the Securities Act of 1933; (n) a "major U.S. institutional investor" as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934; (o) any other person other than an individual of institutional character with total assets in excess of ten million dollars not organized for the specific purpose of evading the Virgin Islands Uniform Securities Act; or (p) any other person specified by rule or order under the Virgin Islands Uniform Securities Act.

"Depository institution" means: (a) a bank or (b) a savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by statute by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, or a successor authorized by federal law. The term does not include: (i) an insurance company or other organization primarily engaged in the business of insurance; (ii) a Morris Plan bank; or (iii) an industrial loan company.

"Bank" means: (a) a banking institution organized under the laws of the United States, (b) a member bank of the Federal Reserve System, (c) any other banking institution whether incorporated or not, doing business under the laws of a state or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the Comptroller of the Currency pursuant to Section 1 of Public Law 87-722 (12 U.S.C. Section 92a), and that is supervised and examined by a state or federal agency having supervision over banks, and that is not operated for the purpose of evading the Virgin Islands Uniform Securities Act, and (d) a receiver, conservator, or other liquidating agent of any institution or firm included in the foregoing clauses (a), (b), or (c).

"Federal covered investment adviser" means a person registered under the Investment Advisers Act of 1940.

"Insurance company" means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state.

Washington:

Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity; *provided*, that any seller who is not registered as a dealer or broker-dealer in the state has no place of business there and effects transactions therein exclusively with or through the foregoing classes of purchasers. (The Administrator has interpreted the term *"institutional buyer"* to mean: (1) a corporation, business trust, or a partnership or wholly owned subsidiary of such an entity, which has been operating for at least 12 months and which has a net worth on a consolidated basis of at least $10,000,000 as determined by the entity's most recent audited financial statements, such statements to be dated within 16 months of the transaction made in reliance upon this exemption; (2) any entity which has been granted exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 and which has a total endowment or trust funds of $5,000,000 or more according to its most recent audited financial statements, such statements to be dated within 16 months of the transaction made in reliance upon this exemption; or (3) any wholly owned subsidiary of a bank, savings, institution, insurance company or investment company as defined in the Investment Company Act of 1940. The Administrator has further found that the term "institutional buyer" does not include a natural person, individual retirement account (IRA), Keogh account or other self-directed pension plan.)

West Virginia:

Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity; *provided*, that any seller who is not registered as a dealer or broker-dealer in the state has no place of business there and effects transactions therein exclusively with or through the foregoing classes of purchasers.

Wisconsin:

Any institutional investor; *provided*, that any seller who is not registered as a broker-dealer effects transactions therein exclusively with an institutional investor.

"Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (a) a depository institution or international banking institution, (b) an insurance company, (c) a separate account of an insurance company, (d) an investment company as defined in the Investment Company Act of 1940, (e) a broker-dealer registered under the Securities Exchange Act of 1934, (f) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of $10,000,000 or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-

dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the state's uniform securities act, a depository institution, or an insurance company, (g) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of $10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the state's uniform securities act, a depository institution, or an insurance company, (h) a trust, if it has total assets in excess of $10,000,000, its trustee is a depository institution, and its participants are exclusively plans of the types identified in clause (f) or (g), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans, (i) an organization described in section 501 (c) (3) of the Internal Revenue Code (26 USC 501 (c) (3)), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $10,000,000, (j) a small business investment company licensed by the Small Business Administration under section 301 (c) of the Small Business Investment Act of 1958 (15 USC 681 (c)) with total assets in excess of $10,000,000, (k) a private business development company as defined in section 202 (a) (22) of the Investment Advisers Act of 1940 (15 USC 80b-2 (a) (22)) with total assets in excess of $10,000,000, (l) a federal covered investment adviser acting for its own account, (m) a qualified institutional buyer, as defined in Rule 144A (a) (1), other than Rule 144A (a) (1) (i) (H), adopted under the Securities Act of 1933 (17 CFR 230.144A), (n) a major U.S. institutional investor, as defined in Rule 15a-6 (b) (4) (i) adopted under the Securities Exchange Act of 1934 (17 CFR 240.15a-6), (o) any other person, other than an individual, of institutional character with total assets in excess of $10,000,000 not organized for the specific purpose of evading the state's uniform securities act, or (p) any other person specified by rule adopted or order issued under the state's uniform securities act.

"Depository institution" means any of the following: (a) a bank or (b) a savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by statute by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, or a successor authorized by federal law. The term does not include any of the following: (i) an insurance company or other organization primarily engaged in the business of insurance, (ii) a Morris Plan bank or (iii) an industrial loan company.

"Bank" means any of the following: (a) a banking institution organized under the laws of the United States, (b) a member bank of the Federal Reserve System, (c) any other banking institution, whether incorporated or not, doing business under the laws of a state or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the Comptroller of the Currency pursuant to section 1 of Public Law 87-722 (12 USC 92a), and which is supervised and examined by a state or federal agency having supervision over

banks, and which is not operated for the purpose of evading the state's uniform securities act or (d) a receiver, conservator, or other liquidating agent of any institution or firm included described in the foregoing clauses (a), (b), or (c).

"Federal covered investment adviser" means a person registered under the Investment Advisers Act of 1940.

"Insurance company" means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state.

Wyoming:

Any institutional investor; *provided*, that any seller who is not registered as a broker-dealer in the state has no place of business there and effects transactions therein exclusively with an institutional investor.

"Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (A) A depository institution or international banking institution; (B) An insurance company; (C) A separate account of an insurance company; (D) An investment company as defined in the Investment Company Act of 1940; (E) A broker-dealer registered under the Securities Exchange Act of 1934; (F) An employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars ($10,000,000.00) or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the Wyoming Uniform Securities Act, a depository institution, or an insurance company; (G) A plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars ($10,000,000.00) or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the Wyoming Uniform Securities Act, a depository institution, or an insurance company; (H) A trust, if it has total assets in excess of ten million dollars ($10,000,000.00), its trustee is a depository institution, and its participants are exclusively plans of the types identified in clauses (F) or (G) of this paragraph, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (J) An organization described in section 501(c)(3) of the Internal Revenue Code (26 U.S.C. §501(c)(3)), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars ($10,000,000.00); (K) A small business investment company licensed by the small business administration under section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. §681(c)) with total assets in excess of ten million dollars ($10,000,000.00); (M) A private business development company as defined in

section 202(a)(22) of the Investment Advisers Act of 1940 (15 U.S.C. §80b-2(a)(22)) with total assets in excess of ten million dollars ($10,000,000.00); (N) A federal covered investment adviser acting for its own account; (O) A "qualified institutional buyer" as defined in rule 144A(a)(1), other than rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933 (17 C.F.R. 230.144A); (P) A "major United States institutional investor" as defined in rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 C.F.R. 240.15a-6); (Q) Any other person, other than an individual, of institutional character with total assets in excess of ten million dollars ($10,000,000.00) not organized for the specific purpose of evading the Wyoming Uniform Securities Act; or (R) Any other person specified by rule adopted or order issued under the Wyoming Uniform Securities Act.

"Depository institution" means: (A) A bank; or (B) A savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by statute by the federal deposit insurance corporation, the national credit union share insurance fund, or a successor authorized by federal law. The term does not include: (I) An insurance company or other organization primarily engaged in the business of insurance; (II) A morris plan bank; or (III) An industrial loan company that is not an "insured depository institution" as defined in section 3(c)(2) of the Federal Deposit Insurance Act, (12 U.S.C. 1813(c)(2)), or any successor federal statute.

"Bank" means: (A) A banking institution organized under the laws of the United States; (B) A member bank of the federal reserve system; (C) Any other banking institution, whether incorporated or not, doing business under the laws of a state or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the comptroller of the currency pursuant to section 1 of Public Law 87-722 (12 U.S.C. §92a), and which is supervised and examined by a state or federal agency having supervision over banks, and which is not operated for the purpose of evading the Wyoming Uniform Securities Act; and (D) A receiver, conservator, or other liquidating agent of any institution or firm included in clauses (A), (B), or (C) of this paragraph.

"Federal covered investment adviser" means a person registered under the Investment Advisers Act of 1940.

"Insurance company" means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state.