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 **JOURNAL of the PROCEEDINGS**

**of the**

**CITY COUNCIL**

CITY OF CHARLESTON, WEST VIRGINIA

Regular Meeting – Tuesday, February 16, 2016

at 7:00 P.M.

Council Chamber – City Hall – Charleston, West Virginia

**OFFICIAL RECORD**

**JB Akers**

**City Clerk**

**Danny Jones**

**Mayor**

***CALL TO ORDER***

The Council met in the Chambers of the City Building at 7:00 P.M., for the second meeting in the month of February on the 16th day, in the year 2016, and was called to order by the Honorable Mayor, Danny Jones. The invocation was delivered by Councilman Harrison and the Pledge of Allegiance was led by Councilman Richardson. The Honorable Clerk, JB Akers, called the roll of members and it was found that there were present at the time:

**BURKA BURTON CEPERLEY**

**CHESTNUT CLOWSER DAVIS**

**EALY FAEGRE HAAS**

**HARRISON HOOVER IRELAND LANE MILLER MINARDI OVERSTREET PERSINGER REISHMAN RICHARDSON SALISBURY SLATER SMITH SNODGRASS STEELE TALKINGTON WARE MAYOR JONES**

With twenty members being present, the Mayor declared a quorum present.

Pending the reading of the Journal of the previous meeting, the reading thereof was dispensed with and the same duly approved.

***PUBLIC SPEAKERS***

NONE

***CLAIMS***

1. A claim of Alva Jones, 183 ½ Norton Ave., Charleston, WV; alleges damage to vehicle.

Refer to City Solicitor.

1. A claim of Dunn Engineers, 400 South Ruffner Rd., Charleston, WV; alleges damage to property.

Refer to City Solicitor.

1. A claim of D. Scott Fisher, 741 Lower Donnally Rd., Charleston, WV; alleges damage to vehicle.

Refer to City Solicitor.

1. A claim of Jeanette S. Huffman, 1 Brawley Rd., Charleston, WV; alleges damage to vehicle.

Refer to City Solicitor.

***COMMUNICATIONS***

**TO: J. B. AKERS**

 **CITY CLERK**

**FROM: DANNY JONES**

 **MAYOR**

**RE: CHARLESTON URBAN RENEWAL AUTHORITY**

**DATE: FEBRUARY 16, 2016**

I recommend that Andrew B. Jordan, 1 Norwood Rd., Charleston, WV 25314 be reappointed to the Charleston Urban Renewal Authority, with a said term to expire March 3, 2021.

I respectfully request City Council’s approval of this recommendation.

Jack Harrison moved to approve the appointment. Tom Lane seconded that motion. By unanimous vote, the appointment was confirmed.

**TO: J. B. AKERS**

 **CITY CLERK**

**FROM: DANNY JONES**

 **MAYOR**

**RE: CHARLESTON URBAN RENEWAL AUTHORITY**

**DATE: FEBRUARY 16, 2016**

I recommend that Karan Ireland, 715 Helen Avenue, Charleston, WV 25302 be appointed to the Charleston Urban Renewal Authority, with a said term to expire March 3, 2021. She is replacing John M. Wells, III.

I respectfully request City Council’s approval of this recommendation.

Jack Harrison moved to approve the appointment. Tom Lane seconded that motion. By unanimous vote, the appointment was confirmed.

***REPORTS OF COMMITTEES***

**COMMITTEE ON ENVIRONMENT AND RECYCLING**

Councilman Talkington, Chair of the Council Committee on Environment and Recycling, submitted the following reports:

1. Resolution No. 701-16 – A resolution in support of Senate Bill 473, the purpose of which is to repeal the prohibition of the disposal of covered electronic devices in landfills.

WHEREAS, according to the U.S. Environmental Protection Agency, e-waste is the fastest growing portion of the waste stream in this country; and

 WHEREAS, effective January 1, 2011, it is illegal to throw covered electronic devices into any West Virginia landfill; and

 WHEREAS, the 2010 law that established the ban on disposal of covered electronic devices allowed for a recycling program for those devices; however, said recycling program has been ineffective, which has resulted in covered electronics such as televisions and computers being illegally dumped in creeks, on riverbanks, and left by roadsides; and

 WHEREAS, the City of Charleston currently bears the cost of transporting e-waste out of the City; and

 WHEREAS, the West Virginia Department of Environmental Protection is a proponent of the repeal of the disposal of covered electronic devices in landfills.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CHARLESTON, WEST VIRGINIA:

That we, the elected leaders of Charleston, hereby fully support Senate Bill 473, repealing the prohibition of the disposal of covered electronic devices in landfills.

BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to the appropriate authorities at the West Virginia Legislature.

Councilman Talkington moved to approve the resolution. Councilman Lane seconded the motion. With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Resolution 701-16 adopted.

**COMMITTEE ON FINANCE**

Councilman Reishman, Chair of the Council Committee on Finance, submitted the following reports:

1. Your committee on Finance has had under consideration Resolution No. 697-16, and reports the same to Council with the recommendation that the resolution do pass.

Resolution No. 697-16 : “Authorizing the Mayor or his designee to sign and submit an application to the West Virginia Division of Justice and Community Services for a Victims of Crime Act (VOCA) grant in the amount of $31,000 to provide for partial salary reimbursement of the Crime Victims Advocate for the Charleston Police Department.”

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or his designee is hereby authorized and directed to sign and submit an application to the West Virginia Division of Justice and Community Services for a Victims of Crime Act (VOCA) grant in the amount of $31,000 to provide for partial salary reimbursement of the Crime Victims Advocate for the Charleston Police Department.

Councilman Reishman moved to approve the Resolution. Councilman Lane seconded the motion. With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Resolution 697-16 adopted.

1. Your committee on Finance has had under consideration Resolution No. 698-15, and reports the same to Council with the recommendation that the resolution do pass.

Resolution No. 698-16 : “Authorizing the Mayor or City Manager to enter into an Agreement with Capitol Valley Contracting, Inc., in the amount of $272,950, for the Replacement of Storm Sewer Pipe at 23rd Street in North Charleston.”

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is hereby authorized and directed to enter into an Agreement with Capitol Valley Contracting, Inc., in the amount of $272,950, for the Replacement of Storm Sewer Pipe at 23rd Street in North Charleston.

*To be changed to Accounty No. 220-975-00-420-4-458, Engineering – Capital Outlay, Major Improvements*

Councilman Reishman moved to approve the Resolution. Councilman Lane seconded the motion. With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Resolution 698-16 adopted.

1. Your committee on Finance has had under consideration Resolution No. 699-15, and reports the same to Council with the recommendation that the resolution do pass.

Resolution No. 699-16 : “Authorizing the Mayor or City Manager to execute Change Order No. 1, in the amount of $111,949, with McClanahan Construction for additional work related to the Agreement for Repairs of Sections of Streetscape in Downtown Areas. Change Order No. 1 increases the contract price from $406,543 to $518,492.”

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is hereby authorized and directed to execute Change Order No. 1, in the amount of $111,949, with McClanahan Construction for additional work related to the Agreement for Repairs of Sections of Streetscape in Downtown Areas. Change Order No. 1 increases the contract price from $406,543 to $518,492 and provides for the following work:

Additional new brick sidewalk on concrete base

 (Summers & Quarrier Streets.) …………….……………………….….. $ 23,199

Spot repair of 2,650 sq.ft of brick sidewalk

 (Capitol Street and Lee Street Triangle) ……………………………… $ 66,250

Alternate No. 1 – Expanding brick sidewalk near 101 Capitol St. ..….. .. $ 10,500

 (Alternate No. 1 was included in specifications but not in

 Original Contract Price)

Replace 345 sq. ft. brick sidewalk with new brick sidewalk

 on concrete base (near 101 Capitol Street) ……………….……….… $ 12,000

 TOTAL $111,949

Councilman Reishman moved to approve the resolution. Councilman Lane seconded the motion. With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Resolution 699-16 adopted.

1. Your committee on Finance has had under consideration the following committee report, and reports the same to Council with the recommendation that the committee report do pass.

Resolution No. 700-16 : “A Resolution authorizing the City of Charleston, as the fiscal agent for “Project West Invest”, to accept a grant from the Kanawha Valley Council on Philanthropy in the amount of $63,750.00, to be used by “Project West Invest” in furtherance of neighborhood revitalization on the West Side of Charleston.”

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CHARLESTON, WEST VIRGINIA:

That the City of Charleston, as the fiscal agent for “Project West Invest”, is hereby authorized to accept a grant from the Kanawha Valley Council on Philanthropy in the amount of $63,750.00, to be used by “Project West Invest” in furtherance of neighborhood revitalization on the West Side of Charleston.

Councilman Reishman moved to approve the Resolution. Councilman Lane seconded the motion. With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Resolution 700-16 adopted.

1. Your committee on Finance has had under consideration the following committee report, and reports the same to Council with the recommendation that the committee report do pass.

Resolution No. 702-16: “Authorizing the Mayor to receive and administer grant funds from the Kanawha Valley Council on Philanthropy in the amount of $25,000.00 for the Charleston Police Department’s *Handle With Care Leadership Program.”*

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CHARLESTON, WEST VIRGINIA:

That the Mayor is hereby authorized to receive and administer grant funds from the Kanawha Valley Council on Philanthropy in the amount of $25,000.00 for the Charleston Police Department’s *Handle With Care Leadership Program*.

Councilman Reishman moved to approve the Resolution. Councilman Lane seconded the motion. With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Resolution 702-16 adopted.

1. Your committee on Finance has had under consideration the following committee report, and reports the same to Council with the recommendation that the committee report do pass.

The bid submitted by Stephens Auto Center in the total amount of $132,408 for purchase of two (2) 1.5-Ton, 4x4 Stake Body Dump Trucks with Lift Gate ($66,204 each) to be used by the Refuse Collection and Recycling Department. The new trucks will replace Units No. 120 and No. 125

*To be charged to Account No.* *001-978-00-800-4-459, Refuse Collection & Recycling—Capital Outlay, Equipment (Municipal Leasing Corporation Master Lease 21129, Lease Schedule No. 21129)*

Councilman Reishman moved to approve the Committee Report. Councilman Lane seconded the motion. With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared the committee report adopted.

1. Your committee on Finance has had under consideration the following committee report, and reports the same to Council with the recommendation that the committee report do pass.

The bid submitted by Stephens Auto Center in the amount of $52,891 for purchase of one (1) Flatbed Service Truck with Air Compressor to be used by the Traffic Engineering Department. The new truck will replace Unit No. 73.

*To be charged to Account No.**001-976-00-712-4-459, Traffic Engineering—Capital Outlay, Equipment (Municipal Leasing Corporation Master Lease 21129, Lease Schedule No. 21129).*

Councilman Reishman moved to approve the Committee Report. Councilman Lane seconded the motion. With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared the committee report adopted.

1. Your committee on Finance has had under consideration the following committee report, and reports the same to Council with the recommendation that the committee report do pass.

The bid submitted by Thornhill Ford Lincoln, in the amount of $43,767, for purchase of a Ford F350 Flatbed Service Truck with Rails to be used by the Parks & Recreation Department. The new truck will replace Unit No. 343.

*To be charged to Account No. 001-979-00-900-4-459, Parks and Recreation—Capital Outlay, Equipment (Municipal Leasing Corporation Master Lease 21129, Lease Schedule No. 21129).*

Councilman Reishman moved to approve the Committee Report. Councilman Lane seconded the motion. With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared the committee report adopted.

1. Your committee on Finance has had under consideration the following committee report, and reports the same to Council with the recommendation that the committee report do pass.

The bid submitted by Matheny Motors, in the amount of $39,363, for purchase of a 2016 GMC 3500 Cab and Chassis to accommodate an existing dump body and hoist to be used by the Construction Crew.

*To be charged to Account No. 001-975-00-412-4-459, City Manager/Construction Crew—Capital Outlay, Equipment (Municipal Leasing Corporation Master Schedule 21129, Lease Schedule 21129).*

Councilman Reishman moved to approve the Committee Report. Councilman Lane seconded the motion. With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared the committee report adopted.

1. Your committee on Finance has had under consideration Bill No. 7680, and reports the same to Council with the recommendation that the bill do pass.

THE CITY OF CHARLESTON

SEWERAGE SYSTEM

BOND SUPPLEMENTAL ORDINANCE

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 ORDINANCE B-1

Bill No. 7680

Introduced in Council: Referred to:

February 1, 2016 Finance Committee

Introduced by: Passed by Council:

Bobby Reishman

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

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

ARTICLE I

STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

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

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

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

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

C. The Sanitary Board has presented a petition to the City for the design, acquisition and construction of certain extensions, additions, betterments and improvements to the System (the “Project”) as more fully described on Exhibit A, the enactment of this Ordinance and the issuance of the sewerage system revenue bonds (the “Series 2016 A Bonds”) to pay the cost of the Project.

D. The estimated maximum cost of design, acquisition and construction of the Project is not to exceed $18,000,000 (including all financing related costs), which will be obtained from the proceeds of the Series 2016 A Bonds herein authorized.

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

Designation Lien Position

1. $1,912,194 Sewer Revenue Bonds, First Lien

Series 1989 A, dated March 21, 1989

(the “Series 1989 A Bonds”).

2. $829,856 Sewer Revenue Bonds, First Lien

Series 1989 C, dated November 21, 1989

(the “Series 1989 C Bonds”).

3. $773,237 Sewerage System Revenue Bonds, First Lien

1993 Series A, dated December 2, 1993

(the “Series 1993 A Bonds”).

4. $2,671,058 Sewerage System Revenue Bonds, First Lien

Series 1996 A, dated October 9, 1996

(the “Series 1996 A Bonds”).

5. $395,299 Sewerage System Revenue Bonds, First Lien

Series 1996 B, dated November 26, 1996

(the “Series 1996 B Bonds”).

6. $732,688 Sewerage System Revenue Bonds, First Lien

Series 1997 A, dated July 22, 1997

(the “Series 1997 A Bonds”).

7. $5,237,584 Sewerage System Revenue Bonds, First Lien

Series 1997 B, dated October 7, 1997

(the “Series 1997 B Bonds”).

8. $994,537 Sewerage System Revenue Bonds, First Lien

1998 Series A, dated December 10, 1998

(the “Series 1998 A Bonds”).

9. $686,229 Sewerage System Revenue Bonds, First Lien

1999 Series A, dated June 22, 1999

(the “Series 1999 A Bonds”).

10. $1,111,357 Sewerage System Revenue Bonds, First Lien

Series 2001 A, dated February 22, 2001

(the “Series 2001 A Bonds”).

11. $823,741 Sewerage System Revenue Bonds, First Lien

2001 Series B, dated May 22, 2001

(the “Series 2001 B Bonds”).

12. $5,160,000 Sewerage System Refunding First Lien

Revenue Bonds, Series 2002 B, dated

December 1, 2002 (the “Series 2002 B Bonds”).

13. $9,835,120 Sewerage System Revenue First Lien

Bonds, Series 2004 A, dated March 23,

2004 (the “Series 2004 A Bonds”).

 14. $36,617,310 Sewerage System Revenue First Lien

 Bonds, Series 2005 A, dated May 5,

 2005 (the “Series 2005 A Bonds”).

 15. $9,000,000 Sewerage System Revenue First Lien

 Bonds, Series 2008 A, dated June 26,

 2008 (the “Series 2008 A Bonds”).

16. $25,877,009 Sewerage System Revenue First Lien

 Bonds, Series 2011 A, dated December 13,

 2011 (the “Series 2011 A Bonds”).

17. $11,613,300 Sewerage System Revenue First Lien

Bonds, Series 2013 A, dated March 27, 2013

(the “Series 2013 A Bonds”).

18. $283,458 Supplemental Sewer Revenue Second Lien

Bonds, Series 1989 B, dated March 21, 1989

(the “Series 1989 B Bonds”).

19. $123,015 Supplemental Sewer Revenue Second Lien

Bonds, Series 1989 D, dated November 21, 1989

(the “Series 1989 D Bonds”).

20. $132,072 Sewerage System Revenue Bonds, Second Lien

1999 Series B, dated June 22, 1999

(the “Series 1999 B Bonds”).

21. $30,492 Sewerage System Revenue Bonds, Second Lien

2001 Series C, dated May 22, 2001

(the “Series 2001 C Bonds”).

 22. $1,822,690 Sewerage System Revenue Bonds, Second Lien

 Series 2005 B-1, dated May 5, 2005

 (the “Series 2005 B-1 Bonds”).

 23. $334,771 Sewerage System Revenue Bonds, Second Lien

 Series 2005 B-2, dated May 5, 2005

 (the “Series 2005 B-2 Bonds”).

The Series 1989 A Bonds, the Series 1989 C Bonds, the Series 1993 A Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1998 A Bonds, the Series 1999 A Bonds, the Series 2001 A Bonds, the Series 2001 B Bonds, the Series 2002 B Bonds, the Series 2004 A Bonds, the Series 2005 A Bonds, the Series 2008 A Bonds, the Series 2011 A Bonds and the Series 2013 A Bonds are collectively referred to as the “First Lien Bonds.” The Series 1989 B Bonds, the Series 1989 D Bonds, the Series 1999 B Bonds, the Series 2001 C Bonds, the Series 2005 B-1 Bonds and the Series 2005 B-2 Bonds are collectively referred to as the “Second Lien Bonds,” which are subordinate and junior to the First Lien Bonds and the Bonds. The First Lien Bonds and the Second Lien Bonds are collectively referred to as the “Prior Bonds.”

F. The City derives revenues from the System, and, except for the pledges thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner.

G. It is necessary and essential to design, acquire and construct the Project, generally described on Exhibit A hereto and incorporated herein by reference, in order to preserve the public health, to be financed through the issuance of the Bonds, in the aggregate principal amount not to exceed $18,000,000 (including financing costs). The period of usefulness of the System after completion of the Project is not less than 40 years.

H. The estimated revenues to be derived in each year after the enactment of this Ordinance from the operation of the System will be sufficient to pay all Operating Expenses of the System, the principal of and interest on the Prior Bonds and the Series 2016 A Bonds and all funds and accounts and other payments provided for in this Ordinance and the Prior Ordinances.

I. The Series 2016 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the form set forth in a Supplemental Resolution or as deemed necessary by the Registrar or the City.

J. All things necessary to make the Series 2016 A Bonds, when authenticated by the Registrar and issued as in this Ordinance and the Supplemental Resolution provided, the valid, binding and legal special obligations of the City 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 2016 A Bonds, will be timely done and duly performed.

K. The enactment of this Ordinance, and the execution and issuance of the Series 2016 A Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the City is a party or by which it may be bound or affected.

L. The City is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 2016 A Bonds are to be used for local government activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City).

M. It is deemed necessary for the City to issue the Series 2016 A Bonds in the aggregate principal amount of not more than $18,000,000, to permanently finance the costs of design, acquisition and construction of the Project, fund capitalized interest, if any, fund the reserve account and pay costs of issuance. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; repayment of any interim financing notes; interest on the Bonds prior to and during construction or acquisition and for six months after completion of construction of the Project; engineering and legal expenses; expenses for estimates of cost and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense, any fees or expenses of the Original Purchaser, commitment fees, premiums for municipal bond insurance policy, debt service reserve account policy, or debt service reserve surety bond; letter of credit fees; underwriter’s discount; rating agency fees; initial fees for the service of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds, and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the City or Sanitary Board for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of the indebtedness incurred by the City or Sanitary Board for such purposes shall be deemed part of the Cost of the Project.

N. It is in the best interests of the City that the Series 2016 A Bonds be sold to the Original Purchaser pursuant to the terms and provisions set forth in the Supplemental Resolution.

O. Prior to the issuance of the Series 2016 A Bonds, the City shall obtain (i) a certificate from an independent certified public accountant stating that the coverage and parity tests of the First Lien Bonds have been met; and (ii) if required, the written consent of the registered owners, of the Prior Bonds to the issuance of the Bonds on a parity with the First Lien Bonds and senior and prior to the Second Lien Bonds. The Series 2016 A Bonds shall be issued with a lien on the Net Revenues on a parity with the lien held by the registered owners of the First Lien Bonds, but the lien of the Bonds shall be senior and superior to the lien of the registered owners of the Second Lien Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the City which are secured by revenues or assets of the System.

P. The City has complied with all requirements of West Virginia law relating to the authorization of the design, acquisition, construction and operation of Project and the System and issuance of the Series 2016 A Bonds, or will have so complied prior to the issuance of any of the Series 2016 A Bonds.

Q. The City will not permit, at any time, any of the proceeds of the Series 2016 A Bonds or any other funds of the City to be used directly or indirectly in a manner which would result in the inclusion of interest on the Series 2016 A Bonds in the gross income of the owners thereof for federal income tax purposes.

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

Section 1.03.  Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2016 A Bonds authorized to be issued hereunder by those who shall own the same from time to time, the Ordinance shall be deemed to be and shall constitute a contract between the City and such Registered Owners, and the covenants and agreements herein set forth to be performed by the City shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Bonds issued hereunder, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

“Authority” means the West Virginia Water Development Authority, which may be one of the original purchasers and Registered Owners of the Series 2016 A Bonds on behalf of the WDA Program, or any other agency of the State of West Virginia that succeeds to the function of the Authority.

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

“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 City or the Sanitary Board, and shall initially mean Jackson Kelly PLLC, Charleston, West Virginia.

“Bond Insurer” means any entity which shall insure all or any portion of the payment of principal of and interest on the Series 2016 A Bonds and which shall be designated as such in the Supplemental Resolution, and in the event no such entity is so designated, all references in this Ordinance to the Bond Insurer shall be null and void and have no force and effect.

“Bond Purchase Agreement” means the Bond Purchase Agreement by and between the Original Purchaser and the City, providing for the purchase of all of the Series 2016 A Bonds from the City by the Original Purchaser, the form of which will be attached as an exhibit to the Supplemental Resolution.

“Bond Register” means the books of the City maintained by the Registrar for the registration and transfer of the Series 2016 A Bonds.

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

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

“Bonds” means the Series 2016 A Bonds, the Prior Bonds and any future bonds issued by the City for the System.

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

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

“Closing Date” means the date or dates upon which there is an exchange of the Series 2016 A Bonds for the proceeds of the Bonds from the Original Purchaser.

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

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

“Consulting Engineers” means Burgess & Niple, Parkersburg, West Virginia, or any engineer or firm of engineers, licensed by the State, which shall at any time hereafter be retained by the City as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

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

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

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

“DTC” means The Depository Trust Company, New York, New York.

“DTC-eligible” means, with respect to the Series 2016 A Bonds, meeting the qualifications prescribed by DTC.

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

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

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

“Mayor” means the Mayor of the City.

“Municipal Bond Insurance Policy” means the municipal bond insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Series 2016 A Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2016 A Bonds, in accordance with the terms thereof.

“MSRB” means the Municipal Securities Rulemaking Board.

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

“Original Purchaser” means either (1) the Authority which is expected to be the purchaser of the Bonds directly from the City, (2) a firm or firms of underwriters, or (3) a private placement bank as determined by a resolution supplemental hereto.

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

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

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

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

“Purchase Price,” for the purpose of computation of the Yield of the 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 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 Bonds of each maturity is sold or, if the Bonds are privately placed, the price paid by the first buyer of the 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 Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Bonds.

“Rebate Fund” means the Rebate Fund created by Section 6.11 hereof.

“Redemption Account” means the Redemption Account for the Series 2016 A Bonds created by Section 4.03 hereof.

“Redemption Date” means, collectively, the dates fixed for the redemption of the Series 2016 A Bonds called for redemption.

“Redemption Price” means, collectively, the prices at which the Series 2016 A Bonds may be called for redemption and includes the principal amount of the Series 2016 A Bonds to be redeemed, plus the interest and premium, if any, required to be paid to effect such redemption.

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

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

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

“Reserve Accounts” means, collectively, the respective Reserve Accounts created for the Prior Bonds and the Series 2016 A Bonds.

“Reserve Requirement” means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2016 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2016 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2016 A Bonds.

“Series 2016 A Bonds” means the not more than $18,000,000 in aggregate principal amount of Sewerage System Revenue Bonds of the City, authorized by this Ordinance to be issued in one or more series as designated in the Supplemental Resolution. If issued in more than one series, the letter designations of the Series 2016 A Bonds shall be as set forth in the Supplemental Resolution.

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

“Sinking Funds” means, collectively, the respective Sinking Funds created for the Prior Bonds and the Series 2016 A Bonds.

 “State” means the State of West Virginia.

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

“Supplemental Resolution” means any resolution, ordinance or order of the City supplementing or amending this Ordinance and, when preceded by the article “the”, refers specifically to the supplemental resolutions authorizing the sale of one or more series of the Series 2016 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2016 A Bonds and not so included may be included in another Supplemental Resolution.

“System” means the complete existing sewerage system now owned by the City and managed by the Sanitary Board, consisting of a sewerage treatment and collection system, and shall include any extensions, additions, betterments and improvements thereto, including the Project, hereafter acquired or constructed for the sewerage system from any sources whatsoever, both within and without the City.

“Term Bonds” means the Series 2016 A Bonds subject to mandatory sinking fund redemption as provided in the Supplemental Resolution and as described in Section 3.11 hereof.

“WDA Program” means the Authority’s loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of the water development revenue bonds of the Authority.

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

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 general 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 the enactment of this Ordinance.

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

ARTICLE II

AUTHORIZATION OF EXTENSIONS, ADDITIONS,
BETTERMENTS AND IMPROVEMENTS TO SYSTEM

Section 2.01.  Authorization of Extensions, Additions, Betterments and Improvements. There is hereby authorized and ordered the design, acquisition and construction of the Project at an estimated cost of not to exceed $18,000,000 (including financing costs), in accordance with plans and specifications prepared by the Consulting Engineers, approved by the City, and on file in the office of the Sanitary Board.

Prior to the issuance of the Series 2016 A Bonds, the City will have received bids for the design, acquisition and construction of the Project which are in an amount and otherwise compatible with the financing plan approved by the Sanitary Board.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION

AND REGISTRATION OF BONDS

Section 3.01.  Authorization and Terms of Bonds. For the purposes of capitalizing interest on the Series 2016 A Bonds, funding the Reserve Account for the Series 2016 A Bonds, paying Costs of the Project not otherwise provided for, paying costs of issuance of the Series 2016 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the Series 2016 A Bonds of the City. The Series 2016 A Bonds shall be issued in one or more series as set forth in the Supplemental Resolution, designated as “Sewerage System Revenue Bonds”, in an aggregate principal amount of not more than $18,000,000. The Series 2016 A Bonds shall be issued in such principal amounts, shall have the series designation, shall be dated as of the date of delivery thereof, shall bear interest at such rate or rates, not exceeding the then legal maximum rate, and shall mature at such times and in such amounts as shall be set forth in the Supplemental Resolution. The repayment of principal and interest on the Series 2016 A Bonds shall be as set forth in the Supplemental Resolution. The Series 2016 A Bonds shall contain such other terms, provisions, conditions and limitations, all as provided by this Ordinance and as the Council of the City shall prescribe by resolution (or by supplemental or amendatory ordinance of said Council as said Council shall determine) adopted in connection with the sale of such Bonds.

A. If the Series 2016 A Bonds are sold to the Authority, they shall be payable as to principal at the office of the Paying Agent in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2016 A Bonds shall be paid by check or draft mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar.

B. If the Series 2016 A Bonds are sold to an Original Purchaser other than the Authority, then any Series 2016 A Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2016 A Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2016 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2016 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 2016 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 2016 A Bonds shall be in default, Bonds issued in exchange for Series 2016 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 2016 A Bonds surrendered.

The principal of and the premium, if any, on the Series 2016 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 2016 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 2016 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.

Each series of Series 2016 A Bonds shall be issued in fully registered form, in such denominations and shall have such terms as set forth in the Supplemental Resolution. The Series 2016 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bonds in aggregate principal amount equal to the amount of the Series 2016 A Bonds then Outstanding, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of the Bonds.

Section 3.02.  Execution of Bonds. The Series 2016 A Bonds shall be executed in the name of the City by the Mayor and attested by the City Clerk, and the seal of the City shall be affixed thereto or imprinted thereon. In case any one or more of the officers who shall have signed or sealed any of the Series 2016 A Bonds shall cease to be such officer of the City before the Series 2016 A Bonds so signed and sealed have been sold and delivered, such Series 2016 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2016 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 2016 A Bonds, shall hold the proper office in the City, although at the date of such Series 2016 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 2016 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 Bond, substantially in the form set forth in the Supplemental Resolution, shall have been duly manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Series 2016 A Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if manually 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 Bonds issued hereunder.

Section 3.04. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2016 A Bonds shall be, and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Registered Owner, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Registered Owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide owner for value.

So long as any of the Series 2016 A Bonds remain Outstanding, the City, through the Registrar, shall keep and maintain books for the registration and transfer of the Series 2016 A Bonds.

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

In all cases in which the privilege of exchanging Series 2016 A Bonds or transferring Series 2016 A Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. For every such exchange or transfer of Bonds, the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the City. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the 15 days preceding an interest payment date on the Bonds, or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed.

Section 3.05.  Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016 A Bond shall become mutilated or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver a new Series 2016 A Bond in exchange and substitution for such mutilated Series 2016 A Bond, upon surrender and cancellation of such mutilated Series 2016 A Bond, or in lieu of and substitution for the Series 2016 A Bond destroyed, stolen or lost, and upon the Registered Owner’s furnishing the City proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur and the Registrar shall authenticate the new Series 2016 A Bond. All Series 2016 A Bonds so surrendered shall be canceled by the Registrar and held for the account of the City. If such Series 2016 A Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen, or destroyed, without surrender therefor.

Any such duplicate Series 2016 A Bonds issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Series 2016 A Bonds be at any time found by anyone, and such duplicate Series 2016 A Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of security for payment from the revenues pledged herein with all other Series 2016 A Bonds issued hereunder.

Section 3.06.  Bonds not to be Indebtedness of the City. The Series 2016 A Bonds shall not, in any event, be or constitute a corporate indebtedness of the City within the meaning of any statutory or constitutional limitations, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided on a parity with the First Lien Bonds but senior and superior to the Second Lien Bonds. No Registered Owner of the Series 2016 A Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the Bonds or any interest thereon.

Section 3.07.  Bonds Secured by Pledge of Net Revenues. The payment of the debt service on the Series 2016 A Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity with the First Lien Bonds but senior and superior to the Second Lien Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2016 A Bonds and the Prior Bonds and to make the payments into the sinking funds and the reserve accounts therein and in the Renewal and Replacement Fund established herein or in the Prior Ordinances are hereby irrevocably pledged to the payment of the principal of and any interest on the Series 2016 A Bonds and the Prior Bonds as the same become due.

Section 3.08.  Form of Bonds. The text of the Series 2016 A Bonds shall be substantially as set forth in the Supplemental Resolution, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance or any subsequent resolution or ordinance adopted or enacted prior to the issuance thereof.

Section 3.09.  Sale of Bonds. The Series 2016 A Bonds shall be sold pursuant to the terms and conditions of a Bond Purchase Agreement as set forth in the Supplemental Resolution.

Section 3.10. Bonds are Issued as Parity Bonds. The Series 2016 A Bonds are issued as and shall constitute additional Parity Bonds in accordance with the Prior Ordinances. Prior to the issuance of the Series 2016 A Bonds, the following must occur:

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

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

C. The Series 2016 A Bonds shall not be issued unless all the payments into the respective funds and accounts provided for in the Prior Ordinances on account of the Prior Bonds and any other payments provided for in the Prior Ordinances, shall have been made in full as required to the date of delivery of the Bonds.

Section 3.11.  Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, as provided by the Supplemental Resolution, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the City from the Revenue Fund and into the Redemption Account for the Series 2016 A Bonds in accordance with Section 4.03 hereof shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 13 months prior to the first mandatory Redemption Date of said Term Bonds, a sum equal to 1/12th 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 Series 2016 A Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the City 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 City 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 City, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

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

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the moneys in the Redemption Account for the Series 2016 A Bonds to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the City 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 City on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the City, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

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

Section 3.12. Notice of Redemption. Unless waived by any Registered Owner of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the City 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 Bond Insurer, if any, the Original Purchaser and the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2016 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 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

 (4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such 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 Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Paying Agent, and

 (6) Such other information, if any, as shall be required for DTC‑eligible

Bonds.

 If funds sufficient to redeem all Series 2016 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 subject to the deposit of such moneys with the Paying Agent on or before the Redemption Date. If such moneys are not so deposited, the Registrar shall notify all Registered Owners of such Bonds called for redemption of such fact. Failure to deposit such moneys and redeem the Bonds called for optional redemption shall not constitute an Event of Default under the Ordinance.

Official notice of redemption having been given as aforesaid, the Series 2016 A Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Series 2016 A Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2016 A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2016 A Bond, there shall be prepared for the Registered Owner a new Series 2016 A Bond or Bonds of the same maturity in the amount of the unredeemed principal of such Bond. All Series 2016 A Bonds which have been redeemed shall be canceled and destroyed by the 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 Bonds, and failure to mail or otherwise send 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 3.13. Persons Treated as Owners. The City, the Registrar, the Paying Agent and any agent of the City, the Registrar or the Paying Agent may treat the person in whose name any Bond is registered as the Registered Owner of such Series 2016 A Bond for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes, whether or not such Series 2016 A Bond is overdue.

Section 3.14. [Reserved]

Section 3.15. Delivery of Bonds. The City shall execute and deliver the Series 2016 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2016 A Bonds to the Original Purchaser upon receipt of the documents set forth below:

 (A) (1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2016 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

 (B) A request and authorization to the Registrar on behalf of the City, signed by an Authorized Officer, to authenticate and deliver the Series 2016 A Bonds to the Original Purchaser;

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

 (D) The unqualified approving opinion of Bond Counsel regarding the Series 2016 A Bonds.

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

Section 3.16. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the City 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 City 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 3.17. Book Entry System for Series 2016 A Bonds. A. If the Supplemental Resolution provides for registration in the name of CEDE & CO., the following provisions shall apply. The Series 2016 A Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2016 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 2016 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 2016 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2016 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 City or the Registrar either a Series 2016 A Bond or any other evidence of ownership of the Series 2016 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 2016 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 2016 A Bonds, the City and, if required, 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 2016 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 2016 A Bonds shall be made to DTC or its nominee as required by DTC. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2016 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 2016 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2016 A Bonds so redeemed, but DTC may retain such Series 2016 A Bonds and make an appropriate notation on the Series 2016 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 2016 A Bonds of such maturity which have been redeemed.

D. The City, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2016 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 2016 A Bonds, selecting the Series 2016 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 2016 A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the City nor the Registrar shall be affected by any notice to the contrary. Neither the City 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 2016 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 2016 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 2016 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 2016 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 2016 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2016 A Bonds; or (ii) the City 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 2016 A Bonds. In either of such events (unless in the case described in clause (i) above, the City appoints a successor securities depository), the Series 2016 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 City or the Registrar for the accuracy of such designation. Whenever DTC requests the City and the Registrar to do so, the City 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 2016 A Bonds.

ARTICLE IV

APPLICATION OF BOND
PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01.  Application of Bond Proceeds. Upon the issuance and delivery of the Series 2016 A Bonds, the City shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2016 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2016 A Bonds Sinking Fund and applied to payment of interest on the Series 2016 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 2016 A Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer via wire transfer.

3. An amount of the proceeds of the Series 2016 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 2016 A Bonds Reserve Account; provided, that to the extent the Series 2016 A Bonds Reserve Requirement is satisfied in whole or in part from a municipal bond debt serve reserve insurance policy, letter of credit, surety bond or other credit facility, proceeds of the Series 2016 A Bonds shall be deposited in the Series 2016 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2016 A Bonds Reserve Requirement.

4. The amount of Series 2016 A Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2016 A Bonds shall be deposited with the Depository Bank in the Series 2016 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2016 A Bonds at the written direction of the City. 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 2016 A Bonds, such unapplied proceeds shall be transferred by the City to the Series 2016 A Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2016 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2016 A Bonds from which such proceeds are derived.

5. The balance of Series 2016 A Bonds proceeds, if any, shall be deposited in the Series 2016 A Bonds Construction Fund and disbursed as provided in Section 4.02 hereof.

Section 4.02.  Disbursements From the Bond Construction Trust Fund. Except as provided in Section 4.01 hereof, disbursements from the Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Sanitary Board of the following:

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

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

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

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

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

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

The City shall expend all proceeds of the Bonds within 3 years of the date of issuance of the Bonds.

Section 4.03.  Funds and Accounts; Flow of Funds. The funds and accounts established by the Prior Ordinances are hereby continued. In addition to the funds and accounts established by the Prior Ordinances, there are hereby created at the Commission the Series 2016 A Sinking Fund and the Series 2016 A Reserve Account with respect to the Series 2016 A Bonds. Following the monthly payment of Operating Expenses, the City shall make monthly payments to the Commission for the Prior Bonds as required under the Prior Ordinances. The monthly payments to the Commission for the Series 2016 A Bonds shall be as follows:

 (1) Simultaneously with the interest payments made pursuant to the Ordinance and the Prior Ordinances with respect to the First Lien Bonds, the City shall also deposit with the Commission in the Series 2016 A Bonds Sinking Fund on the first day of each month, commencing 4 or 7 months prior to the first interest payment date of the Bonds, an amount equal to 1/3rd or 1/6th of the amount of interest which will become due on the Bonds on the next ensuing quarterly or semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2016 A Bonds Sinking Fund and the next quarterly or semiannual interest payment date is less than 4 or 7 months, then such monthly or semiannual payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

 (2) Simultaneously with the principal payments made pursuant to the Ordinance and the Prior Ordinances with respect to the First Lien Bonds, the City shall also deposit with the Commission in the Series 2016 A Bonds Sinking Fund (or applicable redemption account) on the first day of each month, commencing 4 or 13 months prior to the first principal payment date of the Bonds, an amount equal to 1/3rd or 1/12th of the amount of principal which will mature and become due on the Bonds on the next ensuing quarterly or annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2016 A Bonds Sinking Fund and the next annual principal payment date is less than 4 or 13 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next annual or quarterly principal payment date, the required amount of principal coming due on such date.

 (3) Simultaneously with the reserve account payments made pursuant to the Ordinance and the Prior Ordinances with respect to the First Lien Bonds, the City shall also deposit with the Commission in the Series 2016 A Bonds Reserve Account, if not fully funded upon issuance of the Bonds, on the first day of each month, commencing on the date provided in the Supplemental Resolution, an amount equal to 1/120th of the Series 2016 A Bonds Reserve Requirement, until the amount in the Series 2016 A Bonds Reserve Account equals the Series 2016 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2016 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 2016 A Bonds Reserve Requirement.

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

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

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

(7) The City shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 1/2% 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. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the City or of the Depository Bank and shall be invested and reinvested in accordance with the Ordinance. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, or improvements or extensions to the System; provided that, any deficiencies in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

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

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

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

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

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

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

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

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

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

Section 4.04.  Investments. Any moneys held as a part of the funds and accounts created by this Ordinance, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank or such other bank or national banking association holding such fund or account, as the case may be, at the direction of the City in any Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the Prior Ordinances, the need for such moneys for the purposes set forth herein and the specified restrictions and provisions set forth in this Section 4.04.

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

The 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 2016 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 City, through the Board, shall, or shall cause the Bond Commission to, annually transfer from the Series 2016 A Bonds Reserve Account, during construction to the Construction Fund and thereafter to the Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2016 A Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2016 A Bonds Reserve Account an amount at least equal to the Reserve Requirement for the Series 2016 A Bonds as set forth in the Supplemental Resolution.

(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 2016 A Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2016 A Bonds Reserve Account shall, at any time, be less than the applicable Series 2016 A Bonds Reserve Requirement, the Bond Insurer, if any, shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.03(3).

(D) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2016 A Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all monies deposited in the Series 2016 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.

ARTICLE V

DEFAULT AND REMEDIES

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

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2016 A Bonds; or

(2) If default occurs in the City’s observance of any of the covenants, agreements or conditions on its part relating to the Series 2016 A Bonds set forth in this Ordinance, any supplemental resolution or in the Series 2016 A Bonds, and such default shall have continued for a period of 30 days after the City shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Registered Owner of a Bond; or

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

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

Section 5.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2016 A Bond or any Bond Insurer if the Series 2016 A Bonds are insured may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the City to perform its duties under the Act and the Ordinance relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the City to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Ordinance with respect to the Series 2016 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2016 A Bonds shall be on a parity with those of the Registered Owners of the First Lien Bonds and senior and prior to those of the Registered Owners of the Second Lien Bonds.

Section 5.03. Appointment of Receiver. Any Registered Owner of a Series 2016 A Bond or any Bond Insurer if the Series 2016 A Bonds are insured may, by proper legal action, compel the performance of the duties of the City under the Ordinance and the Act, including, the completion of the Project and the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Bonds, any Registered Owner of a Series 2016 A Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the City, with the power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Series 2016 A Bonds and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Ordinance shall have been cured and made good, possession of the System shall be surrendered to the City upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the City and for the joint protection and benefit of the City and Registered Owners of the Series 2016 A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the City and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Ordinance, and the title to and ownership of the System shall remain in the City, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE VI

ADDITIONAL COVENANTS OF THE CITY

All the covenants, agreements and provisions of the Prior Ordinances shall remain in full force and effect as long as the Prior Bonds and the Series 2016 A Bonds are outstanding and shall apply to the Series 2016 A Bonds as if fully set out herein. The following covenants are supplemental and in addition to the covenants set forth in the Prior Ordinances. In the Original Purchaser or Bond Insurer, if any, requires additional covenants, the covenants shall be set forth in the Supplemental Resolution but shall apply as if set out in full in this Ordinance.

Section 6.01.  Completion of Project; Permits and Orders. The City shall complete the Project as promptly as possible and operate and maintain the System as a revenue‑producing enterprise in good condition and in compliance with all federal and state requirements and standards.

The City has obtained or shall obtain all permits required by state and federal laws for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2016 A Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

Section 6.02.  Insurance and Construction Bonds. The City hereby covenants and agrees that so long as the Series 2016 A Bonds remain Outstanding, the City will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. The City will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers’ compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Original Purchaser. Such insurance shall be made payable to the order of the Registered Owners, the City, the prime contractor and all subcontractors, as their interests may appear. The City will itself, or will require each contractor and subcontractor to, obtain and maintain builder’s risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, to protect the interests of the City, the Registered Owners, the prime contractor and all subcontractors as their interests may appear during construction of the Project in the full insurable value thereof. In time of war, the City shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be disposed of as provided in the Ordinance and otherwise shall be placed in the Renewal and Replacement Fund and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The City will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The City shall carry such other insurance as is required by the Original Purchaser, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the City. The City shall verify all such insurance prior to commencement of construction.

The City 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 City shall verify such bonds prior to commencement of construction.

Section 6.03. ­Issuance of Other Obligations Payable Out of Revenues. In addition to the limitations on the issuance of parity obligations set forth in the Prior Ordinances, no parity obligations payable out of revenues of the System shall be issued after the issuance of the Series 2016 A Bonds without the prior written consent of the Registered Owner of the Prior Bonds (if required) then Outstanding and without complying with the parity requirements of the Prior Ordinance and the Supplemental Resolution.

Section 6.04.  Engineering Services and Operating Personnel. The City shall provide and maintain competent and adequate engineering services satisfactory covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the City at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

Section 6.05.  Compliance With Bond Purchase Agreement and Law. The City hereby covenants and agrees to perform, satisfy and comply with all terms, conditions and requirements of the Bond Purchase Agreement and all applicable laws, rules and regulations issued by the Authority, or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

Section 6.06.  Books; Records and Audit. The City shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The City shall permit the Original Purchaser, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The City shall submit to the Original Purchaser such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of any state and federal grants or other sources of financing for the Project.

All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the City or the Sanitary Board.

The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any Registered Owner of the Bonds issued pursuant to the Ordinance shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the City relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards 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 City. 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 City. The City 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 City shall be reported to such agent of the City as the Council shall direct.

The City shall provide an annual report containing the following as provided in the Supplemental Resolution or any continuing disclosure agreement:

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

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

(C) The amount of any bonds, notes or other obligations Outstanding.

The City shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto) and shall mail upon request, and make available generally, the report of the Independent Accountants, or a summary thereof, to any Registered Owner or Owners of Bonds. The report of said audit shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet its Operating Expenses and debt service and reserve requirements.

Section 6.07.  Operating Budget. The Sanitary Board shall annually prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for the operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Original Purchaser within 30 days of the adoption thereof.

­Section 6.08. Tax Covenants. The City hereby further covenants and agrees as follows:

A. PUBLIC PURPOSE BONDS. The City shall use the Series 2016 A Bond proceeds solely for the Project and as otherwise set forth herein, and the Project will be operated solely as a public purpose and as local governmental activity of the City.

B. PRIVATE ACTIVITY BOND COVENANT. The City shall not permit at any time or times any of the proceeds of the Series 2016 A Bonds or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code by reason of the classification of the Bonds as “private activity bonds” within the meaning of the Code. The City will take all actions necessary to comply with the Code in order to assure the tax‑exempt status of the Series 2016 A Bonds.

C. PRIVATE BUSINESS USE LIMITATION. The City shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2016 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 2016 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 City, 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 2016 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 2016 A Bonds during the terms thereof is, under the terms of such Series 2016 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 2016 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2016 A Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

D. PRIVATE LOAN LIMITATION. The City shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2016 A Bonds or $5,000,000 is used, directly or indirectly, to make or finance a loan (other than loan constituting Nonpurpose Investments) to persons other than state or local government units.

E. FEDERAL GUARANTEE PROHIBITION. The City 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 2016 A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

F. INFORMATION RETURN. The City shall file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2016 A Bonds, and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

G. FURTHER ACTIONS. The City shall take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Series 2016 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those deemed necessary by the Authority) which would adversely affect such exclusion.

Section 6.09.  Rebate Covenant. The City is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System. As covenanted above, the Series 2016 A Bonds are not private activity bonds within the meaning of the Code, and ninety‑five percent (95%) or more of the net proceeds (as defined in the Code) of the Series 2016 A Bonds will be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City). The City reasonably expects to expend the proceeds of the Series 2016 A Bonds within the time period that would provide an exception from the rebate requirements of Section 148(f) of the Code. Notwithstanding the foregoing, if the City is in fact subject to such rebate requirements, the City hereby covenants to rebate to the United States the amounts required by the Code and to take all steps necessary to make such rebates. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the tax‑exempt status of interest on the Series 2016 A Bonds.

Section 6.10.  Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Series 2016 A Bonds in such manner and to such extent as may be necessary, so that such Series 2016 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 Bonds) so that the interest on the Series 2016 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 6.11. Tax Certificate and Rebate. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the “Tax Certificate”) to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Series 2016 A Bonds. In addition, the City covenants to comply with all Regulations from time to time in effect and applicable to the Series 2016 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 City shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the City 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 City 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 City to be used for any lawful purpose of the System. The City shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. The City at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City may deem appropriate in order to assure compliance with this Section 6.11. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 6.11 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

The City shall submit to the Authority, if it is the Original Purchaser, within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the City qualifies for the small governmental issue exception to rebate or any other exception therefrom, then the City shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Bonds subject to rebate. The City shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting “gross proceeds” of the Bonds (as such term “gross proceeds” is defined in the Code).

Section 6.12.  Securities Laws Compliance. If required by the Supplemental Resolution the City will provide the Original Purchaser, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Original Purchaser may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240). The City will also deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as amended from time to time.

Section 6.13.  Defeasance of Bonds. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of the Series 2016 A Bonds, the principal thereof, and redemption premium, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then the pledge of Net Revenues and any other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the City to the Registered Owners shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2016 A Bonds from gross income for federal income tax purposes.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the 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 2016 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 2016 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission 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 2016 A Bonds on and prior to the maturity date thereof, or if the City irrevocably determines to redeem any of said Series 2016 A Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the 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 2016 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the 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 2016 A Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities means and include only Government Obligations or such additional securities as shall be set forth in the Supplemental Resolution.

Section 6.14. Rates and Charges. The City has obtained any and all approvals of rates and charges required by state law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the City duly enacted on November 16, 2015, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2016 A Bonds are outstanding, the City covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Ordinance. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2016 A Bonds shall prove to be insufficient to produce the required sums set forth in this Ordinance, the City hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Ordinance. In any event, subject to any requirements of law, the City shall not reduce the rates or charges for services set forth in the rate ordinance described above.

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

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

Section 6.15. ­Contracts. The City shall, simultaneously with the delivery of the Series 2016 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

Section 6.16. Continuing Disclosure Agreement. If required by the Supplemental Resolution, the City 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 City hereby instructs the Mayor and Sanitary Board to take all actions necessary for the City to comply with the continuing disclosure agreement and to make the filings with EMMA.

ARTICLE VII

REGISTRAR

Section 7.01. ­Appointment of Registrar. The Registrar for the Series 2016 A Bonds shall be appointed pursuant to the Supplemental Resolution. The City 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 7.02. Responsibilities of Registrar. The recitals of fact in the Series 2016 A Bonds shall be taken as statements of the City, 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 2016 A Bonds by the City. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication and Registration on the 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 above.

Section 7.03. Evidence on Which Registrar May Act. Except as otherwise provided herein, 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 City, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 7.04. Compensation and Expenses. The City shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2016 A Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 7.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2016 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 the Registered Owners or effect or aid in any reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not any such committee shall represent the Registered Owners of a majority in principal amount of the Bonds Outstanding.

Section 7.06. 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 60 days’ written notice to the City. A copy of such notice shall also be mailed to each Registered Owner. Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the City or the Registered Owners, 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 7.07. Removal. The Registrar may be removed at any time by the City, the Bond Insurer or the Registered Owners of a majority in principal amount of the Series 2016 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the City, by the Bond Insurer or by such Registered Owners or their attorneys duly authorized in writing and delivered to the City, the Bond Insurer or the Registered Owners, as the case may be. Copies of each such instrument shall be delivered by the City 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 7.08. 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 Registered Owners of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Registered Owners or their attorneys duly authorized in writing and delivered to the City and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the City shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Registered Owners. A copy of such notice shall also be mailed to each Registered Owner of the Bonds. Any successor Registrar appointed by the City shall, immediately and without further act, be superseded by a Registrar appointed by such Registered Owners. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the City written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Registered Owner 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 7.09. Transfer of Rights and Property to Successor. Any predecessor Registrar shall pay over, assign and deliver any moneys, books and records held by it to its successor.

Section 7.10. 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 7.08 hereof.

Section 7.11. Adoption of Authentication. In case any of the 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 Series 2016 A Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Series 2016 A Bonds in the name of the predecessor Registrar or in its own name.

ARTICLE VIII

MISCELLANEOUS

Section 8.01.  Modification or Amendment. Prior to the issuance of the Series 2016 A Bonds, this Ordinance may be amended or supplemented in any way by a Supplemental Resolution. All provisions required by the Original Purchaser or the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2016 A Bonds, no material modification or amendment of this Ordinance or of any ordinance or resolution amendatory hereof or supplemental hereto which would materially and adversely affect the rights of Registered Owners shall be made without the consent in writing of the Registered Owners of the Series 2016 A Bonds then Outstanding and to be affected by said modification; provided, however, that no change shall be made in the maturity of any Series 2016 A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the City to pay such principal and interest out of the Net Revenues of the System without the consent of the Registered Owner thereof. Notwithstanding the foregoing, this Ordinance may be amended without the consent of any Registered Owner as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Bonds from gross income of the Registered Owners thereof.

Section 8.02.  Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2016 A Bonds.

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

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

­Section 8.05. Statutory Notice and Public Hearing. Upon adoption hereof, the abstract of this Ordinance in the form set forth in Exhibit B attached hereto and incorporated herein by reference, shall be published once a week for two successive weeks, with at least 6 full days intervening between each publication, in the Charleston Gazette-Mail, a qualified newspaper published and of general circulation in The City of Charleston, together with a notice stating that this Ordinance has been adopted and that the City contemplates the issuance of the Bonds, and that any person interested may appear before the Council upon a certain date, not less than 10 days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the City for review by interested persons during office hours of the City. The Council hereby determines that the abstract contains sufficient information as to give notice of the contents hereof. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

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

CERTIFICATE OF TRUTH AND ACCURACY

I, the undersigned, as City Clerk of The City of Charleston, Kanawha County, West Virginia, do hereby certify that the foregoing document is a true and accurate copy of the official record of The City of Charleston, such records being in the custody of the undersigned and maintained at The City of Charleston, City Hall, Charleston, Kanawha County, West Virginia, and that the action taken by the Council in the foregoing document remains in full force and effect and has not been amended.

Dated this \_\_\_ day of \_\_\_\_\_\_\_\_\_\_, 2016.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City Clerk

[SEAL]

**EXHIBIT A**

DESCRIPTION OF PROJECT

The Charleston Sanitary Board Porters Hollow Project consists of the following work: the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City, including but not limited to the replacement and rehabilitation of existing sewers in the areas of: Spring Branch, Porter’s Branch, Anderson Heights, Callie Road and Bendview Drive and all necessary appurtenances; provided, that to the extent that the funds remain available, the Project shall also include extensions, additions, betterments and improvements to the remaining portion of the existing sewer system.

**EXHIBIT B**

THE CITY OF CHARLESTON, WEST VIRGINIA

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on \_\_\_\_\_\_\_\_\_\_, 2016, the Council of The City of Charleston, West Virginia (the “City”) adopted an ordinance which, among other things:

1. Authorized the design, acquisition and construction of certain extensions, additions, betterments and improvements (the “Project”) to the City’s existing sewerage system (the “System”), the permanent financing of such costs thereof through the issuance of not more than $18,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or more series (the “Bonds”).

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

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

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

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

The City contemplates the issuance of the Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of The City of Charleston at a \_\_\_\_\_\_\_ meeting on \_\_\_\_\_\_\_\_\_\_, 2016, at \_\_\_\_\_ p.m., in the Council Chambers, City Hall, Charleston, West Virginia, and present protests and be heard as to whether the above-described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of City on \_\_\_\_\_\_\_\_\_\_\_, 2016, is on file with the City Clerk for review by interested persons at the City Hall during regular office hours, to-wit: 8:00 a.m. to 4:00 p.m., Monday through Friday.

/s/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City Clerk of The City of Charleston, West Virginia

Councilman Deneault moved to approve the Bill. Councilman Lane seconded the motion. A roll call was taken.

YEAS: Burka, Burton, Ceperley, Chestnut, Davis, Haas, Harrison, Hoover, Ireland, Lane, Overstreet, Persinger, Reishman, Richardson, Slater, Smith, Steele, Talkington, Ware, Mayor Jones

NAYS: NONE

ABSENT: Clowser, Ealy, Faegre, Miller, Minardi, Salisbury, Snodgrass

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Bill No. 7680 adopted.

***REPORTS OF OFFICERS***

1. City Treasurer’s Report to City Council Month Ending January 2016.

Received and Filed.

1. Municipal Court Report to City Council Month Ending January 2016.

Received and Filed.

1. Report of the City of Charleston Payroll Variance Analysis; January, 2016.

Received and Filed.

***ADJOURNMENT***

*The Clerk, JB Akers, called the closing roll call:*

YEAS: Burka, Burton, Ceperley, Chestnut, Davis, Haas, Harrison, Hoover, Ireland, Lane, Overstreet, Persinger, Reishman, Richardson, Slater, Smith, Steele, Talkington, Ware, Mayor Jones

ABSENT: Clowser, Ealy, Faegre, Miller, Minardi, Salisbury, Snodgrass

At 7:18 p.m., by a motion from Councilmember Harrison, Council adjourned until Monday, March 7, 2016, at 7:00 p.m., in the Council Chamber in City Hall.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Danny Jones, Honorable Mayor

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

JB Akers, City Clerk