THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

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THE CITY OF HUNTINGTON
SEWER REVENUE BONDS, SERIES 2010 A

CONFORMED BOND ORDINANCE

Ordinance No ____

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THE CITY OF HUNTINGTON

CONFORMED BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF HUNTINGTON OF NOT MORE THAN $8,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF HUNTINGTON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing public sewerage

system of the Issuer, consisting of the construction of certain extensions to such system, commonly called the Hal Greer Extension project (collectively, the "Project"), which constitute properties for the collection, transportation, treatment, purification, or disposal of liquid or solid wastes, residential sewage or industrial waste (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), all pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, in the total aggregate principal amount of not more than $8,000,000 in one or more series, initially planned to be the Sewer Revenue Bonds, Series 2010 A (West Virginia SRF Program), (the "Series 2010 A Bonds"), to permanently finance the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the Act; interest upon the Series 2010 A Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined) for the Series 2010 A Bonds; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority, including the SRF Administrative Fee (as hereafter defined); discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2010 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the design, acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2010 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2010 A Bonds be sold to the Authority pursuant to the terms and provisions of a Loan Agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), all in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. The Issuer will have the following outstanding obligations which will rank on a parity with the Series 2010 A Bonds as to liens, pledge, source of and security for payment, being the (i) Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in

the original aggregate principal amount of $3,039,895 (the "Series 1997 Bonds"); (ii) Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550 (the "Series 1999 Bonds"); (iii) Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098 (the "Series 2000 Bonds"); (iv) Sewer Revenue Bonds, Series 2006 A, dated November 30, 2006, issued in the original aggregate principal amount of $3,150,000 (the "Series 2006 A Bonds"); and (v) Sewer Refunding Revenue Bonds, Series 2007, dated December 27, 2007, issued in the original aggregate principal amount of $5,500,000 (the "Series 2007 Bonds") (collectively, the "Prior Bonds").

The Series 2010 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. Prior to the issuance of the Series 2010 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of certain of the Holders of the Series 1997 Bonds, Series 1999 Bonds and Series 2000 Bonds to the issuance of the Series 2010 A Bonds on a parity with the Prior Bonds. The Series 2006 A Bonds and Series 2007 Bonds do not require consent. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Ordinances.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Issuer's Prior Bonds, and the Series 2010 A Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2010 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia.

J. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board and the Sanitary Board has petitioned the Governing Body to issue the Series 2010 A Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2010 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2010 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and

any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2010 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

"Board" means the Sanitary Board of the Issuer.

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

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

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

"Bonds" means, collectively, the Series 2010 A Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2010 A Bonds for all or a portion of the proceeds of the Series 2010 A Bonds from the Authority and the DEP.

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

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

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

"Costs" or "Costs of the Project" means those costs described in Section 1.02D hereof to be a part of the costs of design, acquisition and construction of the Project as described in Section 1.02B hereof.

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

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

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

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

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

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

"Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System and all parts thereof, all as calculated in accordance with sound accounting practices.

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

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an

independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Investment Property" means:

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

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

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2010 A Bonds from the Issuer by the Authority, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Maximum Annual Debt Service" means at the time of computation, the greatest amount of debt service required to be paid on the Bonds for the then current or any succeeding Fiscal Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Net Proceeds" means the face amount of the Series 2010 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2010 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2010 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, the SRF Administrative Fee (as hereinafter defined), insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices.

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" means the Series 1997 Bonds, Series 1999 Bonds, Series 2000 Bonds, Series 2006 A Bonds and Series 2007 Bonds.

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

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

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

"Qualified Investments" means and includes the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above or fully insured by the FDIC, with member banks of the Federal Reserve system or banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such

repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended, including, without limitation, authorized pools of investments operated by such State Board of Investments; and

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

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2010 A Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account.

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

"Series 1997 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895.

"Series 1999 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550.

"Series 2000 Bonds" means the Issuer's Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098.

"Series 2006 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2006 A, dated November 30, 2006, issued in the original aggregate principal amount of $3,150,000.

"Series 2007 Bonds" means the Issuer's Sewer Refunding Revenue Bonds, Series 2007, dated December 27, 2007, issued in the original aggregate principal amount of $5,500,000.

"Series 2010 A Bonds" means the Sewer Revenue Bonds, Series 2010 A (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 2010 A Bonds Reserve Account" means the Series 2010 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2010 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2010 A Bonds in the then current or any succeeding year.

"Series 2010 A Bonds Sinking Fund" means the Series 2010 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2010 A Bonds Construction Trust Fund" means the Series 2010 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds and the Series 2010 A Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Loan Agreement for the Series 2010 A Bonds.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2010 A Bonds; provided, that any matter

intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2010 A Bonds, and not so included may be included in another Supplemental Resolution.

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

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

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

"Term Bonds" means bonds subject to mandatory sinking fund redemption.

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed $8,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2010 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids or will receive and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP.

The cost of the Project is estimated not to exceed $8,000,000, which will be obtained from proceeds of the Series 2010 A Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND

SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of paying the Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2010 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 negotiable Series 2010 A Bonds of the Issuer. The Series 2010 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2010 A (West Virginia SRF Program)", in the principal amount of not more than $8,000,000, and all shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2010 A Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2010 A Bonds Construction Trust Funds established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2010 A Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2010 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2010 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2010 A Bonds shall initially be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2010 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2010 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2010 A Bonds shall cease to be such officer of the Issuer before the Series 2010 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to

hold such office. Any Series 2010 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2010 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2010 A Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2010 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2010 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2010 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2010 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging or transferring the registered Series 2010 A Bonds are exercised, all Series 2010 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2010 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2010 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of any Series 2010 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2010 A Bonds or, in the case of any proposed redemption of such Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2010 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2010 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2010 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2010 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2010 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2010 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2010 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2010 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2010 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2010 A Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2010 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON
SEWER REVENUE BONDS, SERIES 2010 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on the ___ day of _____, 2010, THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, to and including _____ 1, 20___ as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference with interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, to and including _____ 1, 20___ as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20___, as set forth on Exhibit B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement (the "Loan Agreement") by and among the Issuer, the Authority, and the DEP, dated _____, 2010.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) funding the Series 2010 A Reserve Account; and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2009, and a Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on _____, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"); (II) SEWER REVENUE BOND, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550, (THE "SERIES 1999 BONDS"); (III) SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 BONDS"); (IV) SEWER REVENUE BONDS, SERIES 2006 A, DATED NOVEMBER 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,150,000 (THE "SERIES 2006 A BONDS"); AND (V) SEWER REFUNDING REVENUE BONDS, SERIES 2007, DATED DECEMBER 27, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $5,500,000 (THE "SERIES 2007 BONDS")(COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2010 A Bonds (the "Series 2010 A Bonds Reserve Account"), and unexpended proceeds of the Series 2010 A Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Reserve Account and unexpended proceeds of the Series 2010 A Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to

leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Series 2010 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 A Bonds including the Prior Bonds; provided however, that, so long as there exists in the Series 2010 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2010 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

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

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2010.

THE HUNTINGTON NATIONAL BANK
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20___.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2010 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the forms attached hereto as "EXHIBIT A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver them to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated in this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Within 60 days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule for the Series 2010 A Bonds, the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by Prior Ordinance);

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

(3) Rebate Fund;

(4) Series 2010 A Bonds Construction Trust Fund.

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

Ordinance) and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission or the Issuer and from each other:

(1) Series 1997 Bonds Sinking Fund (established by Prior Ordinances and continued hereby);

(2) Series 1997 Bonds Reserve Account (established by Prior Ordinances and continued hereby);

(3) Series 1999 Bonds Sinking Fund (established by Prior Ordinances and continued hereby);

(4) Series 1999 Bonds Reserve Account (established by Prior Ordinances and continued hereby);

(5) Series 2000 Bonds Sinking Fund (established by Prior Ordinances and continued hereby);

(6) Series 2000 Bonds Reserve Account (established by Prior Ordinances and continued hereby);

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

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

(9) Series 2007 Bonds Sinking Fund (established by Prior Ordinances and continued hereby);

(10) Series 2007 Bonds Reserve Account (established by Prior Ordinances and continued hereby);

(11) Series 2010 A Bonds Sinking Fund; and

(12) Series 2010 A Bonds Reserve Account;

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Prior Ordinances and in this Bond Legislation. All monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by Prior Ordinances to pay interest on the Prior Bonds; and (ii) commencing 4 months prior to the first date of payment of interest of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will mature and come due on the Series 2010 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2010 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payment 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.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amount required by the Prior Ordinances for payment of principal of the Prior Bonds; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2010 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2010 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amount required by the Prior Ordinances for deposit in the respective Reserve Accounts for the Prior Bonds; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2010 A Bonds, if not fully funded upon issuance of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 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 2010 A Bonds Reserve Requirement.

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

Monies in the Series 2010 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2010 A Bonds, as the same shall become due. Monies in the Series 2010 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2010 A Bonds, as the same shall come due, when other monies in the Series 2010 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account, shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2010 A Bonds Construction Trust Fund, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2010 A Bonds, if any, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2010 A Bonds Reserve Account which result in a reduction in the balance of such accounts to below the respective Reserve Requirements thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above, all on a pro rata basis.

As and when additional Bonds ranking on a parity with the Series 2010 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2010 A Bonds Sinking Fund or the Series 2010 A Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2010 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue, if any, until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2010 A Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2010 A Bonds under the conditions and restrictions set forth herein.

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

C. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2010 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Loan Agreement for the Series 2010 A Bonds.

D. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the respective parties shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as herein above provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies on a parity and pro rata with respect to the Series 2010 A Bonds and the Prior Bonds all in accordance with the respective principal amounts outstanding before being applied to any other payments hereunder.

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

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

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2010 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2010 A Bonds, there shall first be deposited with the Commission in the Series 2010 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2010 A Bonds, there shall be deposited with the Commission in the Series 2010 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2010 A Bonds Reserve Account.

C. As the Issuer receives advances of the monies derived from the sale of the Series 2010 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2010 A Bonds Construction Trust Fund

and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2010 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2010 A Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements of Bond Proceeds. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2010 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly. Invoices for which repayment from the Series 2010 A Bonds Construction Trust Fund will be sought must be first approved by the Issuer.

Except as provided in Section 6.01 hereof, disbursements from the Series 2010 A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule; and

Pending such application, monies in the Series 2010 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2010 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2010 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2010 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2010 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2010 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2010 A Bonds issued hereunder shall be secured equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of Certified Public Accountant to such effect. 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 Issuer enacted June 9, 2009, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2010 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2010 A Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances and with the written consent of the Authority.

So long as the Series 2010 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2010 A Bonds Sinking Fund pro rata with respect to the principal amount of each of the Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2010 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine, upon consultation with a professional engineer, that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund for repayment of the Bonds. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into such account by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2010 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2010 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2010 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2010 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2010 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2010 A Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

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

So long as the Prior Bonds, and the Series 2010 A Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period herein above referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public

Accountants, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which has expired (without successful appeal) prior to the issuance of such Parity Bonds.

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

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

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Ordinance and the Prior Ordinances with respect to the Bonds then Outstanding, and any other payments provided for in this Ordinance and the Prior Ordinance, shall have been made in full as required to the date of issuance of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Ordinance and the Prior Ordinance.

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

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be

made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2010 A Bonds and shall mail in each year to any Holder or Holders of the Series 2010 A Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2010 A Bonds and shall submit the report to the Authority and the DEP or any other original purchaser of the Series 2010 A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act and the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in the Loan Agreement for the Series 2010 A Bonds or any Exhibit thereto or as promulgated from time to time.

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

Section 7.09. Rates. Prior to the issuance of the Series 2010 A Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that (i) so long as the Series 2007 Bonds are Outstanding, the schedule or schedules of the rates and charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, and (ii) so long as the Series 2006 Bonds, Series 2000 Bonds, Series 1999 Bonds or Series 1997 Bonds are Outstanding the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2010 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2010 A Bonds including the Prior Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2010 A Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2010 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2010 A Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of

the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, within 30 days of adoption thereof and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the DEP and any Holder of any Bonds or anyone acting for and on behalf of such Holder.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement for the Series 2010 A Bonds as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all state and federal standards.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the water system, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider 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 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2010 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR;

AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

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

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

where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer will complete the acquisition and construction of the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals of issuance of the Series 2010 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal, except as otherwise provided in Section 1.02(I) and the Issuer shall provide an opinion of counsel to such effect.

Section 7.18. Compliance with the Loan Agreement and the Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the DEP or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

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

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2010 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2010 A Bonds during the term thereof is, under the terms of the Series 2010 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the Net

Proceeds of the Series 2010 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 2010 A Bonds during the term thereof is, under the terms of the Series 2010 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 2010 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2010 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2010 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2010 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2010 A Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2010 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

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

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2010 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2010 A Bonds held in "contingency" as set forth in the Schedule attached to the certificate of the Consulting

Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2010 A Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding provided by the DEP and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2010 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2010 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2010 A Bonds are Outstanding and as long thereafter as necessary to

comply with the Code and to assure the exclusion of interest on the Series 2010 A Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2010 A Bonds which would cause the Series 2010 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take any and all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2010 A Bonds) so that the interest on the Series 2010 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2010 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2010 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and shall be used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. To the extent not so performed by the Authority, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 8.03. The

Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount, any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary, in order to maintain the exclusion of interest on the Series 2010 A Bonds from gross income for federal income tax purposes.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2010 A Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2010 A Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2010 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2010 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions relating to the Series 2010 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2010 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Holder of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners or Bondholders including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners or Bondholders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2010 A Bonds shall be on a parity with those of the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2010 A Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2010 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2010 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2010 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2010 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2010 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2010 A Bonds shall be made

without the consent in writing of the Registered Owners of the Series 2010 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2010 A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2010 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2010 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2010 A Bonds.

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

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

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

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Herald Dispatch* a newspaper of general circulation in The City of Huntington, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2010 A Bonds,

and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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Section 11.08. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Passed on First Reading:	August 24, 2009
Passed on Second Reading:	September 14, 2009
Passed on Final Reading Following Public Hearing:	September 28, 2009

Mayor

CERTIFICATION

Certified a true copy of a Conformed Ordinance duly enacted by the Governing Body of THE CITY OF HUNTINGTON on the 28th day of September, 2009 as supplemented by Supplemental Resolution on December 28, 2009

Dated: January 12, 2010.

[SEAL]

Barbara Nelson
City Clerk

10.27.09
435500.00022

CH5280083

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 A
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF HUNTINGTON; APPROVING A CONFORMED ORDINANCE; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City council (the "Governing Body") of The City of Huntington (the "Issuer" or "Governmental Agency") has duly and officially adopted and enacted a bond ordinance, effective September 28, 2009 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE PAYMENT OF THE SERIES 2009 A BONDS AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF HUNTINGTON OF NOT MORE THAN $8,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $8,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING ARRA ASSISTANCE AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE

TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) (the "Series 2009 A Bonds") and Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA) (the "Series 2009 B Bonds") in an aggregate principal amount of $8,000,000;

WHEREAS, the Series 2009 B Bonds will not be issued as funds are not available from the American Recovery and Reinvestment Act ("ARRA") as contemplated for the Series 2009 B Bonds;

WHEREAS, the Issuer desires to amend the Bond Ordinance though this Supplemental Resolution and Conformed Ordinance (collectively, the "Bond Legislation")

WHEREAS, the Bond Legislation has authorized the execution and delivery of a Loan Agreement relating to the Series 2010 A Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP") (the "Loan Agreement"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and that other matters relating to the Series 2010 A Bonds be herein provided for;

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

WHEREAS, the Series 2010 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale prices of the Series 2010 A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2010 A Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2010 A (West Virginia SRF Program), of the Issuer, originally represented by a single bond, numbered AR-1, in the original aggregate principal amount of $4,022,945. The Series 2010 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2030 and shall bear interest at the

rate of 2% per annum.. The principal of the Series 2010 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2010 to and including March 1, 2030 and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2010 A Bonds and incorporated in and made a part of the Series 2010 A Bonds. The interest of the Series 2010 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2010 to and including March 1, 2030 and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2010 A Bonds and incorporated in and made a part of the Series 2010 A Bonds. The Series 2010 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2010 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 1% of the principal amount of the Series 2010 A Bonds set forth in "Schedule Y" attached to the Loan Agreement.

Section 2. All other provisions relating to the Series 2010 A Bonds and the text of each series of the Series 2010 A Bonds shall be in substantially the forms provided in the Bond Legislation.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the DEP and the Authority. The price of the Series 2010 A Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2010 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2010 A Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2010 A Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2010 A Bonds under the Bond Legislation.

Section 6. The Issuer does hereby appoint and designate United Bank, Inc, Huntington, West Virginia, to serve as Depository Bank under the Bond Legislation.

Section 7. Series 2010 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2010 A Bonds Reserve Account.

Section 8. The balance of the proceeds of the Series 2010 A Bonds shall be deposited in or credited to the Series 2010 A Bonds Construction Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2010 A Bonds and related costs.

Section 9. The Mayor and the Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2010 A Bonds hereby and by the Bond Legislation approved and provided for, to the end that the Series 2010 A Bonds may be delivered on or about January 12, 2010, to the Authority pursuant to the Loan Agreement.

Section 10. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2010 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 12. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Legislation held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Sinking Funds and the Reserve Accounts for the Series 2010 A Bonds, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

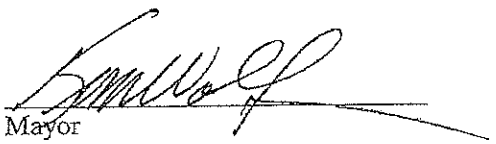
Section 13. The Executive Director of the Sanitary Board is authorized to approve draw requests for payment of invoices.

Section 14. The Issuer hereby approves the Conformed Bond Ordinance attached hereto as Exhibit A.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 28th day of December, 2009.



Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Huntington on the 28th day of December, 2009.

Dated: January 12, 2010.

[SEAL]

Barbara Nelson
City Clerk

EXHIBIT A
CONFORMED BOND ORDINANCE
(See Tab 1 of Bond Transcript)

10.30.09
435500.00022

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF HUNTINGTON; APPROVING THE SECOND CONFORMED ORDINANCE; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City Council (the "Governing Body") of The City of Huntington (the "Issuer") has duly and officially adopted a supplemental resolution on December 28, 2009 entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF HUNTINGTON; APPROVING A CONFORMED ORDINANCE; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City council of The City of Huntington has duly and officially adopted and enacted a bond ordinance, effective September 28, 2009 (the "Bond Ordinance"), entitled:

> ORDINANCE AUTHORIZING THE PAYMENT OF THE SERIES 2009 A BONDS AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF HUNTINGTON OF NOT MORE THAN $8,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $8,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING ARRA ASSISTANCE AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Series 2009 A (West Virginia SRF Program), of the Issuer, in the aggregate principal amount of not to exceed $8,000,000 (the "Series 2009 A Bonds") and the Series 2009 B Bonds (West Virginia SRF Program/ARRA), in the aggregate principal amount of not to exceed $8,000,000 (the "Series 2009 B Bonds");

WHEREAS, the Bond Ordinance was conformed to provide for the issuance of the Series 2010 A (West Virginia SRF Program), of the Issuer, in the aggregate principal amount of not to exceed $8,000,000 (the "Series 2010 A Bonds") in one or more series (the "Conformed Bond Ordinance");

WHEREAS, the Series 2009 A Bonds were issued as the Series 2010 A Bonds on January 12, 2010 in the original aggregate principal amount of $4,022,945 (the "Series 2010 A Bonds") and the Series 2009 B Bonds were not issued;

WHEREAS, the Issuer deems it essential and desirable that the Bond Ordinance be further conformed to provide for the issuance of the Series 2010 B (West Virginia SRF Program), of the Issuer, in the aggregate principal amount of not to exceed $3,977,055 (the "Series 2010 B Bonds") in one or more series (the "Second Conformed Bond Ordinance");

WHEREAS, the Governing Body deems it essential and desirable that this second supplemental resolution (the "Second Supplemental Resolution") be adopted;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Second Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), of the Issuer, originally represented by a single bond, numbered BR-1, in the original aggregate principal amount of $2,622,055. The Series 2010 B Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2031 and shall bear interest at the rate of 2% per annum. The principal of the Series 2010 B Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2012 to and including December 1, 2031 and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2010 B Bonds and incorporated in and made a part of the Series 2010 B Bonds. The interest of the Series 2010 B Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2012 to and including December 1, 2031 and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2010 B Bonds and incorporated in and made a part of the Series 2010 B Bonds. The Series 2010 B Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2010 B Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 1% of the principal amount of the Series 2010 B Bonds set forth in "Schedule Y" attached to the Loan Agreement.

Section 2. All other provisions relating to the Series 2010 B Bonds and the text of each series of the Series 2010 B Bonds shall be in substantially the forms provided in the Bond Legislation.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the

execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the DEP and the Authority. The price of the Series 2010 B Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2010 B Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2010 B Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2010 B Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2010 B Bonds under the Bond Legislation.

Section 6. The Issuer does hereby appoint and designate United Bank, Inc, Huntington, West Virginia, to serve as Depository Bank under the Bond Legislation.

Section 7. Series 2010 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2010 B Bonds Reserve Account.

Section 8. The balance of the proceeds of the Series 2010 B Bonds shall be deposited in or credited to the Series 2010 B Bonds Construction Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2010 B Bonds and related costs.

Section 9. The Mayor and the Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2010 B Bonds hereby and by the Bond Legislation approved and provided for, to the end that the Series 2010 B Bonds may be delivered on or about November 10, 2010, to the Authority pursuant to the Loan Agreement.

Section 10. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2010 B Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 12. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Legislation held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Sinking Funds and the Reserve Accounts for the Series 2010 B Bonds, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Executive Director of the Sanitary Board is authorized to approve draw requests for payment of invoices.

Section 14. The Issuer hereby approves the Second Conformed Bond Ordinance attached hereto as Exhibit A.

Section 15. This Second Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 25th day of October, 2010.

Mayor

CERTIFICATION

Certified a true copy of a Second Supplemental Resolution duly adopted by the Council of The City of Huntington on the 25th day of October, 2010.

Dated: November 10, 2010.

[SEAL]

Barbara Nelson
City Clerk

THE CITY OF HUNTINGTON
SEWER REVENUE BONDS, SERIES 2010 A; AND
SEWER REVENUE BONDS, SERIES 2010 B
(WEST VIRGINIA SRF PROGRAM)

SECOND CONFORMED BOND ORDINANCE

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CERTIFICATION
EXHIBIT A

THE CITY OF HUNTINGTON

SECOND CONFORMED BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF HUNTINGTON OF NOT MORE THAN $4,022,945 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $3,977,055 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF HUNTINGTON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing public sewerage system of the Issuer, consisting of the construction of certain extensions to such system, commonly called the Hal Greer Extension project (collectively, the "Project"), which constitute properties for the collection, transportation, treatment, purification, or disposal of liquid or solid wastes, residential sewage or industrial waste (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), all pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, in the total aggregate principal amount of not more than $8,000,000 in two or more series, initially planned to be (i) the Sewer Revenue Bonds, Series 2010 A (West Virginia SRF Program), (the "Series 2010 A Bonds"); and (ii) the Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), (the "Series 2010 B Bonds") (collectively, the "Series 2010 Bonds"),"), to permanently finance the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the Act; interest, if any, upon the Series 2010 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined) for the Series 2010 Bonds; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority, including the SRF Administrative Fee (as hereafter defined); discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2010 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the design, acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2010 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2010 Bonds be sold to the Authority pursuant to the terms and provisions of a Loan Agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and its Series 2010 B Bonds be sold to the Authority pursuant to the terms and provisions of a Loan Agreement by and

among the Issuer, the Authority and the DEP, all in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. The Issuer will have the following outstanding obligations which will rank on a parity with the Series 2010 Bonds as to liens, pledge, source of and security for payment, being the (i) Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895 (the "Series 1997 Bonds"); (ii) Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550 (the "Series 1999 Bonds"); (iii) Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098 (the "Series 2000 Bonds"); (iv) Sewer Revenue Bonds, Series 2006 A, dated November 30, 2006, issued in the original aggregate principal amount of $3,150,000 (the "Series 2006 A Bonds"); and (v) Sewer Refunding Revenue Bonds, Series 2007, dated December 27, 2007, issued in the original aggregate principal amount of $5,500,000 (the "Series 2007 Bonds") (collectively, the "Prior Bonds").

The Series 2010 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. Prior to the issuance of the Series 2010 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of certain of the Holders of the Series 1997 Bonds, Series 1999 Bonds and Series 2000 Bonds, to the issuance of the Series 2010 Bonds on a parity with the Prior Bonds. The Series 2006 A Bonds and Series 2007 Bonds do not require consent. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Ordinances.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Issuer's Prior Bonds, and the Series 2010 Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreements (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2010 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia.

J. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board and the Sanitary Board has petitioned the Governing Body to issue the Series 2010 Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2010 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2010 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2010 Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

"Board" means the Sanitary Board of the Issuer.

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

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

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

"Bonds" means, collectively, the Series 2010 Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2010 Bonds for all or a portion of the proceeds of the Series 2010 Bonds from the Authority and the DEP.

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

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

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

"Costs" or "Costs of the Project" means those costs described in Section 1.02D hereof to be a part of the costs of design, acquisition and construction of the Project as described in Section 1.02B hereof.

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

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

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

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

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

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

"Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System and all parts thereof, all as calculated in accordance with sound accounting practices.

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

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

"Investment Property" means:

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

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

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2010 Bonds from the Issuer by the Authority, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Maximum Annual Debt Service" means at the time of computation, the greatest amount of debt service required to be paid on the Bonds for the then current or any succeeding Fiscal Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Net Proceeds" means the face amount of the Series 2010 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2010 A Bonds Reserve Account or the Series 2010 B Bonds Reserve Account. For purposes of the

Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2010 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, the SRF Administrative Fee (as hereinafter defined), insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices.

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" means the Series 1997 Bonds, Series 1999 Bonds, Series 2000 Bonds, Series 2006 A Bonds and Series 2007 Bonds.

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

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

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

"Qualified Investments" means and includes the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above or fully insured by the FDIC, with member banks of the Federal Reserve system or banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must

mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended, including, without limitation, authorized pools of investments operated by such State Board of Investments; and

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

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2010 Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account.

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

"Series 1997 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895.

"Series 1999 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550.

"Series 2000 Bonds" means the Issuer's Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098.

"Series 2006 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2006 A, dated November 30, 2006, issued in the original aggregate principal amount of $3,150,000.

"Series 2007 Bonds" means the Issuer's Sewer Refunding Revenue Bonds, Series 2007, dated December 27, 2007, issued in the original aggregate principal amount of $5,500,000.

"Series 2010 A Bonds" means the Sewer Revenue Bonds, Series 2010 A (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 2010 A Bonds Reserve Account" means the Series 2010 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2010 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2010 A Bonds in the then current or any succeeding year.

"Series 2010 A Bonds Sinking Fund" means the Series 2010 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2010 Bonds" means, collectively, the Series 2010 A Bonds and the Series 2010 B Bonds.

"Series 2010 Bonds Construction Trust Fund" means the Series 2010 Bonds Construction Trust Fund established by Section 5.01 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds and the Series 2010 Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Loan Agreement for the Series 2010 Bonds.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2010 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2010 Bonds, and not so included may be included in another Supplemental Resolution.

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

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

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

"Term Bonds" means bonds subject to mandatory sinking fund redemption.

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed $8,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2010 A Bonds and the Series 2010 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids or will receive and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP.

The cost of the Project is estimated not to exceed $8,000,000, which will be obtained from proceeds of the Series 2010 Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENTS

Section 3.01. Authorization of Bonds. For the purposes of paying the Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2010 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 negotiable Series 2010 Bonds of the Issuer. The Series 2010 Bonds shall be issued in two series, each as a single bond, designated respectively as "Sewer Revenue Bonds, Series 2010 A (West Virginia SRF Program)", in the principal amount of not more than $4,022,945, and "Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program)," in the principal amount of not more than $3,977,055, and all shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2010 Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2010 Bonds Construction Trust Funds established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2010 Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2010 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2010 Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2010 Bonds shall initially be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2010 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2010 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2010 Bonds shall cease to be such officer of the Issuer before the Series 2010 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2010 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2010 Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2010 Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2010 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2010 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2010 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2010 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging or transferring the registered Series 2010 Bonds are exercised, all Series 2010 Bonds shall be delivered in accordance with the provisions of this

Bond Legislation. All Series 2010 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2010 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of any Series 2010 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2010 Bonds or, in the case of any proposed redemption of such Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2010 Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2010 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2010 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2010 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2010 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2010 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2010 Bonds are to be registered upon original issuance, together

with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2010 Bonds to the original purchasers;

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

D. An executed copies of the Loan Agreements; and

E. The unqualified approving opinions of bond counsel on the Series 2010 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2010 Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

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(FORM OF SERIES 2010 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON
SEWER REVENUE BONDS, SERIES 2010 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $4,022,945

KNOW ALL MEN BY THESE PRESENTS: That on the 12th day of January, 2010, THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of FOUR MILLION TWENTY-TWO THOUSAND NINE HUNDRED FORTY FIVE DOLLARS ($4,022,945), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2010, to and including March 1, 2030 as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference with interest of 2% per annum payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2010, to and including March 1, 2030 as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) of 1% shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing June 1, 2010, as set forth on Exhibit B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement (the "Loan Agreement") by and among the Issuer, the Authority, and the DEP, dated January 12, 2010.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 28, 2009, and a Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on December 28, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"); (II) SEWER REVENUE BOND, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550, (THE "SERIES 1999 BONDS"); (III) SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 BONDS"); (IV) SEWER REVENUE BONDS, SERIES 2006 A, DATED NOVEMBER 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,150,000 (THE "SERIES 2006 A BONDS"); AND (V) SEWER REFUNDING REVENUE BONDS, SERIES 2007, DATED DECEMBER 27, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $5,500,000 (THE "SERIES 2007 BONDS")(COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2010 A Bonds (the "Series 2010 A Bonds Reserve Account"), and unexpended proceeds of the Series 2010 A Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Reserve Account and unexpended proceeds of the Series 2010 A Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for

principal of and interest on the Series 2010 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 A Bonds including the Prior Bonds; provided however, that, so long as there exists in the Series 2010 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2010 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

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

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: January 12, 2010.

THE HUNTINGTON NATIONAL BANK
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

_____
Authorized Officer

(FORM OF SERIES 2010 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON
SEWER REVENUE BONDS, SERIES 2010 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on the ___ day of _____, 2010, THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, to and including _____ 1, 20___ as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference with interest of 2% payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, to and including _____ 1, 20___ as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee of 1% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20___, as set forth on Exhibit B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement (the "Loan Agreement") by and among the Issuer, the Authority, and the DEP, dated _____, 2010. This Bond may be redeemed prior to its stated date of

maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement (the "Loan Agreement") by and among the Issuer, the Authority, and the DEP, dated _____, 2010.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 28, 2009, a Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on December 28, 2009 and a Second Supplemental Resolution and Second Conformed Ordinance duly adopted by the Issuer on _____, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"); (II) SEWER REVENUE BOND, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550, (THE "SERIES 1999 BONDS"); (III) SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 BONDS"); (IV) SEWER REVENUE BONDS, SERIES 2006 A, DATED NOVEMBER 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,150,000 (THE "SERIES 2006 A BONDS"); AND (V) SEWER REFUNDING REVENUE BONDS, SERIES 2007, DATED DECEMBER 27, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $5,500,000 (THE "SERIES 2007 BONDS"); AND (VI) SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 12, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,022,945, (THE "SERIES 2010 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS")

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2010 B Bonds (the "Series 2010 B Bonds Reserve Account"), and unexpended proceeds of the Series 2010 B Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose.

This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2010 B Bonds Reserve Account and unexpended proceeds of the Series 2010 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Series 2010 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 B Bonds including the Prior Bonds; provided however, that, so long as there exists in the Series 2010 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2010 B Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2010.

THE HUNTINGTON NATIONAL BANK
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

_____
Authorized Officer

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2010 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the forms attached hereto as "EXHIBIT A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver them to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated in this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Within 60 days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule for the Series 2010 Bonds, the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by Prior Ordinance);

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

(3) Rebate Fund;

(4) Series 2010 Bonds Construction Trust Fund.

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

(1) Series 1997 Bonds Sinking Fund (established by Prior Ordinances and continued hereby);

(2) Series 1997 Bonds Reserve Account (established by Prior Ordinances and continued hereby);

(3) Series 1999 Bonds Sinking Fund (established by Prior Ordinances and continued hereby);

(4) Series 1999 Bonds Reserve Account (established by Prior Ordinances and continued hereby);

(5) Series 2000 Bonds Sinking Fund (established by Prior Ordinances and continued hereby);

(6) Series 2000 Bonds Reserve Account (established by Prior Ordinances and continued hereby);

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

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

(9) Series 2007 Bonds Sinking Fund (established by Prior Ordinances and continued hereby);

(10) Series 2007 Bonds Reserve Account (established by Prior Ordinances and continued hereby);

(11) Series 2010 A Bonds Sinking Fund;

(12) Series 2010 A Bonds Reserve Account;

(13) Series 2010 B Bonds Sinking Fund; and

(14) Series 2010 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Prior

Ordinances and in this Bond Legislation. All monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by Prior Ordinances to pay interest on the Prior Bonds; (ii) commencing 4 months prior to the first date of payment of interest of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will mature and come due on the Series 2010 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2010 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payment 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; and (iii) commencing 4 months prior to the first date of payment of interest of the Series 2010 B Bonds, for deposit in the Series 2010 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will mature and come due on the Series 2010 B Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2010 B Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payment 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.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amount required by the Prior Ordinances for payment of principal of the Prior Bonds; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2010 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2010 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; and (iii) commencing 4 months prior to the first date of payment of principal of the Series 2010 B Bonds, for deposit

in the Series 2010 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2010 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2010 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amount required by the Prior Ordinances for deposit in the respective Reserve Accounts for the Prior Bonds; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2010 A Bonds, if not fully funded upon issuance of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 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 2010 A Bonds Reserve Requirement; and (iii) commencing 4 months prior to the first date of payment of principal of the Series 2010 B Bonds, if not fully funded upon issuance of the Series 2010 B Bonds, for deposit in the Series 2010 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2010 B Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank (as required in the Prior Ordinances and not in addition thereto), for deposit in the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required

hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2010 A Bonds Sinking Fund and Series 2010 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2010 Bonds, respectively, as the same shall become due. Monies in the Series 2010 A Bonds Reserve Account and the Series 2010 B Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2010 Bonds, respectively, as the same shall come due, when other monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2010 A Bonds Sinking Fund the Series 2010 A Bonds Reserve Account, the Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2010 Bonds Construction Trust Fund, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2010 Bonds, if any, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2010 A Bonds Reserve Account or the Series 2010 B Bonds Reserve Account which result in a reduction in the balance of such accounts to below the respective Reserve Requirements thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above, all on a pro rata basis.

As and when additional Bonds ranking on a parity with the Series 2010 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2010 A Bonds Sinking Fund the Series 2010 A Bonds Reserve Account, the Series 2010 B Bonds Sinking Fund or the Series 2010 B Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2010 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue, if any, until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2010 A Bonds, and the Series 2010 B Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2010 A Bonds Sinking Fund, the Series 2010 A Bonds Reserve Account, the Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements

whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2010 A Bonds Sinking Fund, the Series 2010 A Bonds Reserve Account, the Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2010 A Bonds Sinking Fund, the Series 2010 A Bonds Reserve Account, the Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2010 Bonds, respectively, under the conditions and restrictions set forth herein.

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

C. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2010 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Loan Agreement for the Series 2010 Bonds.

D. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the respective parties shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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

into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies on a parity and pro rata with respect to the Series 2010 Bonds and the Prior Bonds all in accordance with the respective principal amounts outstanding before being applied to any other payments hereunder.

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

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

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2010 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2010 A Bonds, there shall first be deposited with the Commission in the Series 2010 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2010 A Bonds, there shall be deposited with the Commission in the Series 2010 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2010 A Bonds Reserve Account.

C. As the Issuer receives advances of the monies derived from the sale of the Series 2010 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2010 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2010 A Bonds.

D. From the proceeds of the Series 2010 B Bonds, there shall first be deposited with the Commission in the Series 2010 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

E. Next, from the proceeds of the Series 2010 B Bonds, there shall be deposited with the Commission in the Series 2010 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2010 B Bonds Reserve Account.

F. As the Issuer receives advances of the monies derived from the sale of the Series 2010 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2010 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2010 B Bonds.

G. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2010 A Bonds and Series 2010 B Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements of Bond Proceeds. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2010 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly. Invoices for which repayment from the Series 2010 Bonds Construction Trust Fund will be sought must be first approved by the Issuer.

Except as provided in Section 6.01 hereof, disbursements from the Series 2010 Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule; and

Pending such application, monies in the Series 2010 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2010 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2010 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be

irrevocable, except as provided herein, as long as any of the Series 2010 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2010 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2010 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2010 Bonds issued hereunder shall be secured equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of Certified Public Accountant to such effect. 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 Issuer enacted June 9, 2009, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2010 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2010 Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances and with the written consent of the Authority.

So long as the Series 2010 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System

shall immediately be remitted to the Commission for deposit in the Series 2010 A Bonds Sinking Fund and the Series 2010 B Bonds Sinking Fund, respectively, pro rata with respect to the principal amount of each of the Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2010 A Bonds and the Series 2010 B Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine, upon consultation with a professional engineer, that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund for repayment of the Bonds. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into such account by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2010 Bonds. All obligations issued by the Issuer after the issuance of the Series 2010 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2010 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and

accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2010 Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2010 Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2010 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

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

So long as the Prior Bonds, and the Series 2010 Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer

only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

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

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

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

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Ordinance and the Prior Ordinances with respect to the Bonds then Outstanding, and any other payments provided for in this Ordinance and the Prior Ordinance, shall have been made in full as required to the date of issuance of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Ordinance and the Prior Ordinance.

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

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2010 Bonds and shall mail in each year to any Holder or Holders of the Series 2010 Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2010 Bonds and shall submit the report to the Authority and the DEP or any other original purchaser of the Series 2010 Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act and the Loan

Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in the Loan Agreement for the Series 2010 Bonds or any Exhibit thereto or as promulgated from time to time.

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

Section 7.09. Rates. Prior to the issuance of the Series 2010 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that (i) so long as the Series 2007 Bonds are Outstanding, the schedule or schedules of the rates and charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, and (ii) so long as the Series 2006 Bonds, Series 2000 Bonds, Series 1999 Bonds or Series 1997 Bonds are Outstanding the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2010 Bonds including the Prior Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2010 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 Bonds, and all other

obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2010 Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, within 30 days of adoption thereof and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the DEP and any Holder of any Bonds or anyone acting for and on behalf of such Holder.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the

plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, the DEP and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement for the Series 2010 Bonds as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all state and federal standards.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations

promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the water system, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider 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 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2010 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

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

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

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer will complete the acquisition and construction of the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals of issuance of the Series 2010 Bonds required by State law, with all requisite appeal periods having expired without successful appeal, except as otherwise provided in Section 1.02(I) and the Issuer shall provide an opinion of counsel to such effect.

Section 7.18. Compliance with the Loan Agreement and the Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the DEP or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

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

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2010 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2010 A Bonds during the term thereof is, under the terms of the Series 2010 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2010 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 2010 A Bonds during the term thereof is, under the terms of the Series 2010 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 2010 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2010 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2010 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2010 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2010 A Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2010 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.20. Securities Law Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit

report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2010 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2010 Bonds held in "contingency" as set forth in the Schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2010 Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding provided by the DEP and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2010 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2010 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission or Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such

fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2010 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2010 Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2010 Bonds which would cause the Series 2010 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take any and all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2010 Bonds) so that the interest on the Series 2010 Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2010 Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2010 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and shall be used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the

payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. To the extent not so performed by the Authority, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 8.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount, any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary, in order to maintain the exclusion of interest on the Series 2010 Bonds from gross income for federal income tax purposes.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2010 Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2010 Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2010 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2010 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions relating to the Series 2010 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2010 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Holder of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners or Bondholders including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners or Bondholders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2010 Bonds shall be on a parity with those of the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the

Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any 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 herein above conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2010 A Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2010 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2010 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2010 A Bonds from gross income for federal income tax purposes.

Section 10.02. Payment of Series 2010 B Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of all of the Series 2010 B Bonds, the principal of and

interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2010 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2010 B Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2010 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2010 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2010 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2010 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2010 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2010 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2010 Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2010 Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Ordinance. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance

and the Prior Ordinance, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

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

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Herald Dispatch* a newspaper of general circulation in The City of Huntington, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2010 Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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Section 11.08. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Passed on First Reading:	August 24, 2009
Passed on Second Reading:	September 14, 2009
Passed on Final Reading Following Public Hearing:	September 28, 2009

Mayor

CERTIFICATION

Certified a true copy of a Second Conformed Ordinance duly enacted by the Governing Body of THE CITY OF HUNTINGTON on the 25th day of October, 2010 as supplemented by Supplemental Resolution on October 25, 2010.

Dated: November 10, 2010.

[SEAL]

Barbara Nelson
City Clerk

435500.00027

5495239

WEST VIRGINIA
Water Development Authority

Celebrating 34 Years of Service ***1974 - 2008***

November 10, 2010

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the West Virginia Water Development Authority (the "Authority"), the registered owner of the entire outstanding aggregate principal amount of the: (i) Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895 (the "Series 1997 Bonds"); (ii) Sewer Revenue Bond, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550, (the "Series 1999 Bonds"); (iii) Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098 (the "Series 2000 Bonds"); and (iv) Sewer Revenue Bonds, Series 2010 A Bonds (West Virginia SRF Program), dated January 12, 2010, issued in the original aggregate principal amount of $4,022,945 (the "Series 2010 A Bonds") (collectively, the "Prior Bonds"), hereby consents to the amendments made to the Bond Ordinance duly enacted by The City of Huntington (the "Issuer") on September 28, 2009, as supplemented by the Supplemental Resolution and Conformed Bond Ordinance duly adopted by the Issuer on December 28, 2009 by the Second Supplemental Resolution and Second Conformed Ordinance duly adopted by the Issuer on October 25, 2010.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Carol A. Cummings
Its: Authorized Representative

10.12.10
435500.00027

180 Association Drive, Charleston, WV 25311-1217
phone (304) 558-3612 / fax (304) 558-0299
www.wwda.org

34B

SRF-LP-1
(12/09)

LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION (the "DEP"), and the local government designated below (the "Local Government").

CITY OF HUNTINGTON (2009S-1114/ C-544461)
(Local Government)

W I T N E S S E T H:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the "Clean Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition § 66.458 (1998)) and DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the "West Virginia Water Pollution Control Revolving Fund" (hereinafter the "Fund");

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

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

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a wastewater treatment project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Government;

WHEREAS, the Local Government intends to construct, is constructing or has constructed such a wastewater treatment project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for a Loan with attachments and exhibits and an Amended Application for a Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Government, DEP and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF Regulations.

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

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

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

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

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

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

1.8 "Program" means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

1.9 "Project" means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.10 "SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

1.11 "System" means the wastewater treatment facility owned by the Local Government, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.12 Additional terms and phrases are defined in this Loan Agreement as they are used.

ARTICLE II

The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Local Government by the Consulting Engineers, the DEP and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and the Local Act, the Local Government has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Local Government by the Consulting Engineers.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Local Government, subject to any mortgage lien or other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property is approved by DEP and the Authority.

2.4 The Local Government agrees that the Authority and DEP and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and

rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Government shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Local Government shall permit the Authority and DEP, acting by and through their Directors or duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Local Government shall submit to the Authority and DEP such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

2.6 The Local Government agrees that it will permit the Authority and DEP and their respective agents to have access to the records of the Local Government pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof or if the Project is an improvement to an existing system at any reasonable time following commencement of construction.

2.7 The Local Government shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (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 and shall verify or have verified such bonds prior to commencement of construction.

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

Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Record Drawings, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 50% completion stage.

2.11 The Local Government hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, DEP or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

2.12 The Local Government, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 10th of each month to DEP and the Authority.

2.13 The Local Government shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia (the "PSC").

2.14 The Local Government, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward such forms to DEP in compliance with the Local Government's construction schedule.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to make the Loan is subject to the Local Government's fulfillment, to the satisfaction of the Authority and DEP, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

(a) The Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

(b) The Local Government shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(c) The Local Government shall have authorized the issuance of and delivery to the Authority of the Local Bonds described in this Article III and in Article IV hereof;

(d) The Local Government shall either have received bids or entered into contracts for the construction of the Project, which are in an amount and otherwise compatible with the plan of financing described in the Application; provided that, if the Loan will refund an interim construction financing, the Local Government must either be constructing or have constructed its Project for a cost and as otherwise compatible with the plan of financing described in the Application; and, in either case, the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

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

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

(h) The Local Government shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and DEP shall have received a certificate of the accountant for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, to such effect; and

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such

other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Loan shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Government by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority or such later date as is agreed to in writing by DEP.

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans from the Fund to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further

specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the prior approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

ARTICLE IV

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

(a) That the gross revenues of the System shall always be used for purposes of the System. Such gross revenues will be used monthly, in the order of priority listed below:

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

(iii) to create a renewal and replacement, or similar, fund in an amount equal to two and one-half percent (2-1/2%) of the gross revenues from the System, exclusive of any payments into the Reserve Account, for the purpose of improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account; and

(iv) for other legal purposes of the System, including payment of debt service on other obligations junior, subordinate and inferior to the Local Bonds.

Provided, that if the Local Government has existing outstanding indebtedness which has greater coverage or renewal and replacement fund requirements, then the greater requirements will prevail until said existing indebtedness is paid in full.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the net or gross revenues of the System as provided in the Local Act;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the Reserve Account is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

(iii) That the Local Government shall complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Government shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and DEP; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

(vi) That the Local Government will carry such insurance as is customarily carried with respect to works and properties similar to the System, including those specified by Section 2.8 hereof;

(vii) That the Local Government will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Government under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

(ix) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That, to the extent legally allowable, the Local Government will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Government shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the

audited financial statements shall include a statement that notes whether the Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Government shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and DEP within 30 days of adoption thereof;

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, prospective users of the System shall be required to connect thereto;

(xiv) That the proceeds of the Local Bonds, advanced from time to time, except for accrued interest and capitalized interest, if any, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Local Government and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing of such Local Government, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and DEP, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

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

(xvii) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

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

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Government shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore the services of the water facility until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Local Government, then the Local Government shall enter into a termination agreement with the water provider; and

(xxi) That the Local Government shall submit all proposed change orders to the DEP for written approval. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

The Local Government hereby represents and warrants that the Local Act has been or shall be duly adopted or enacted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, validity, sale and delivery of the Local Bonds shall be approved without qualification by nationally recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit G.

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

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the DEP monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

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

4.6 The obligation of the Authority to make any loans shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to make the Loan.

ARTICLE V

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

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this Loan Agreement, the Local Government hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to this Loan Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Loan Agreement, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and DEP shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Government has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the SRF Regulations or this Loan Agreement.

6.3 The Local Government hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Loan.

6.4 The Local Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

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

6.6 The Local Government hereby agrees to give the Authority and DEP prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

6.7 The Local Government hereby agrees to file with the Authority and DEP upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

7.1 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Local Government supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

7.4 No waiver by any party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach,

whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

7.5 This Loan Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

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

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP;

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

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

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Loan made under this Loan Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to make the Loan. In the event funds are not appropriated or otherwise available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Loan made by the Authority and DEP is not terminated due to such non-funding on any balance of the Loan. The DEP agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

CITY OF HUNTINGTON

(SEAL)

By: _____
Its: Mayor
Date: November 10, 2010

Attest:

_____
Its: Recorder

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: _____
Its: Director
Date: November 10, 2010

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: November 10, 2010

Attest:

_____
Its: Secretary-Treasurer

{C1889219.1}

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government
Name of Bond Issue(s)_____
Type of Project _____Water_____Wastewater
Fiscal Year _____Report Month_____

Item	Current Month	Total Year To Date	Budget Year To Date	Budget Year To Date Minus Total Year To Date
1. Gross Revenues				
2. Operating Expenses				
3. Bond Payments:				
Type of Issue				
Clean Water SRF				
Drinking Water TRF				
Infrastructure Fund				
Water Development Authority				
Rural Utilities Service				
Economic Development Administration				
Other (Identify)				
_____				
_____				
4. Renewal and Replacement Fund Deposits				

_____
Name of Person Completing Form

_____
Address

_____

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 1 You will need a copy of the current fiscal year budget adopted by the Local Government to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 ($1,200/12). This is the incremental amount for the Budget Year-to-Date column.

Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 ($900/12). This is the incremental amount for the Budget Year-to-Date column.

Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Local Government according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.

Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are $1,200, then $30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____

(Issuer)

(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No._____, of _____, Consulting Engineers, _____, _____, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), dated _____.

2. The Bonds are being issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule A attached hereto as Exhibit

A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

By _____
West Virginia License No.

[SEAL]

---

[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____, Esq.] and delete "my firm has ascertained that".

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

EXHIBIT E

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT - The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with Federal money, (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

B. AUDIT REQUIREMENT – (Supplement to Article IV 4.1 (b) (xi)) - Effective October 1, 2003, the Local Government that receives $500,000 or more (in federal funds) in a fiscal year must obtain audits in accordance with the Single Audit Act and the applicable OMB Circular or any successor thereto. Financial statement audits are required once all funds have been received by the Local Government.

C. CLOSING REQUIREMENTS – The closing is contingent upon the receipt by the Authority and DEP of an acceptable title opinion and final PSC Order.

EXHIBIT F

MONTHLY PAYMENT FORM

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of [Name of Local Government] on [Date].

Sinking Fund:

Interest	$
Principal	$
Total:	$
Reserve Account:	$

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated _____, ____, including all schedules and exhibits attached thereto (the "Loan Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, dated _____, ____ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal and interest to the Authority, with principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning _____ 1, ____, and ending _____ 1, ____, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond duly adopted or enacted by the Local Government on _____, as supplemented by the supplemental

resolution duly adopted by the Local Government on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Loan Agreement has been duly authorized by and executed on behalf of the Local Government and is a valid and binding special obligation of the Local Government, enforceable in accordance with the terms thereof.

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

3. The Local Government is a duly organized and validly existing , with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Local Government and constitute valid and binding obligations of the Local Government, enforceable against the Local Government in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Local Government to the Authority and are valid, legally enforceable and binding special obligations of the Local Government, payable from the net or gross revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the net or gross revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

6. The Local Bonds are, by statute, exempt _____, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is excludable from the gross income of the recipients thereof for federal income tax purposes.

No opinion is given herein as to the effect upon enforceability of the Local Bonds of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Local Bond numbered R-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $2,622,055
Purchase Price of Local Bonds $2,622,055

The Local Bonds shall bear interest at a rate of 2% per annum. Commencing March 1, 2012, principal and interest of the Local Bonds is payable quarterly, with an administrative fee of 1%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

The Local Bonds are fully registered in the name of the Authority as to principal and interest, if any, and the Local Bonds shall grant the Authority a first lien on the net or gross revenues of the Local Government's system as provided in the Local Act.

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

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

(i) City of Huntington Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895;

(ii) City of Huntington Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550;

(iii) City of Huntington Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098;

(iv) City of Huntington Sewer Revenue Bonds, Series 2006 A, dated November 30, 2006, issued in the original aggregate principal amount of $3,150,000;

(v) City of Huntington Sewer Refunding Revenue Bonds, Series 2007, dated December 27, 2007, issued in the original aggregate principal amount of $5,500,000; and

(vi) City of Huntington Sewer Revenue Bonds, Series 2010 A (West Virginia SRF Program), dated January 12, 2010, issued in the original aggregate principal amount of $ 4,022,945.

Number of New Customers: None
Location: N/A

SCHEDULE Y
DEBT SERVICE SCHEDULE

City of Huntington
CWSRF
2% Interest Rate, 1% Administrative Fee
20 years

Dated Date		11/10/10	
Delivery Date		11/10/10	

Period Ending	Principal	Coupon	Interest	Debt Service
11/10/10				
3/1/12	26,737	2.000%	13,110.28	39,847.28
6/1/12	26,871	2.000%	12,976.59	39,847.59
9/1/12	27,005	2.000%	12,842.24	39,847.24
12/1/12	27,140	2.000%	12,707.21	39,847.21
3/1/13	27,276	2.000%	12,571.51	39,847.51
6/1/13	27,412	2.000%	12,435.13	39,847.13
9/1/13	27,549	2.000%	12,298.07	39,847.07
12/1/13	27,687	2.000%	12,160.33	39,847.33
3/1/14	27,826	2.000%	12,021.89	39,847.89
6/1/14	27,965	2.000%	11,882.76	39,847.76
9/1/14	28,105	2.000%	11,742.94	39,847.94
12/1/14	28,245	2.000%	11,602.41	39,847.41
3/1/15	28,386	2.000%	11,461.19	39,847.19
6/1/15	28,528	2.000%	11,319.26	39,847.26
9/1/15	28,671	2.000%	11,176.62	39,847.62
12/1/15	28,814	2.000%	11,033.26	39,847.26
3/1/16	28,958	2.000%	10,889.19	39,847.19
6/1/16	29,103	2.000%	10,744.40	39,847.40
9/1/16	29,249	2.000%	10,598.89	39,847.89
12/1/16	29,395	2.000%	10,452.64	39,847.64
3/1/17	29,542	2.000%	10,305.67	39,847.67
6/1/17	29,690	2.000%	10,157.96	39,847.96
9/1/17	29,838	2.000%	10,009.51	39,847.51
12/1/17	29,987	2.000%	9,860.32	39,847.32
3/1/18	30,137	2.000%	9,710.38	39,847.38
6/1/18	30,288	2.000%	9,559.70	39,847.70
9/1/18	30,439	2.000%	9,408.26	39,847.26
12/1/18	30,591	2.000%	9,256.06	39,847.06
3/1/19	30,744	2.000%	9,103.11	39,847.11
6/1/19	30,898	2.000%	8,949.39	39,847.39
9/1/19	31,053	2.000%	8,794.90	39,847.90
12/1/19	31,208	2.000%	8,639.63	39,847.63
3/1/20	31,364	2.000%	8,483.59	39,847.59
6/1/20	31,521	2.000%	8,326.77	39,847.77
9/1/20	31,678	2.000%	8,169.17	39,847.17
12/1/20	31,837	2.000%	8,010.78	39,847.78
3/1/21	31,996	2.000%	7,851.59	39,847.59

City of Huntington

Period Ending	Principal	Coupon	Interest	Debt Service	
6/1/21	32,156	2.000%	7,691.61	39,847.61	
9/1/21	32,317	2.000%	7,530.83	39,847.83	
12/1/21	32,478	2.000%	7,369.25	39,847.25	
3/1/22	32,641	2.000%	7,206.86	39,847.86	
6/1/22	32,804	2.000%	7,043.65	39,847.65	
9/1/22	32,968	2.000%	6,879.63	39,847.63	
12/1/22	33,133	2.000%	6,714.79	39,847.79	
3/1/23	33,298	2.000%	6,549.13	39,847.13	
6/1/23	33,465	2.000%	6,382.64	39,847.64	
9/1/23	33,632	2.000%	6,215.31	39,847.31	
12/1/23	33,800	2.000%	6,047.15	39,847.15	
3/1/24	33,969	2.000%	5,878.15	39,847.15	
6/1/24	34,139	2.000%	5,708.31	39,847.31	
9/1/24	34,310	2.000%	5,537.61	39,847.61	
12/1/24	34,481	2.000%	5,366.06	39,847.06	
3/1/25	34,654	2.000%	5,193.66	39,847.66	
6/1/25	34,827	2.000%	5,020.39	39,847.39	
9/1/25	35,001	2.000%	4,846.25	39,847.25	
12/1/25	35,176	2.000%	4,671.25	39,847.25	
3/1/26	35,352	2.000%	4,495.37	39,847.37	
6/1/26	35,529	2.000%	4,318.61	39,847.61	
9/1/26	35,707	2.000%	4,140.96	39,847.96	
12/1/26	35,885	2.000%	3,962.43	39,847.43	
3/1/27	36,064	2.000%	3,783.00	39,847.00	
6/1/27	36,245	2.000%	3,602.68	39,847.68	
9/1/27	36,426	2.000%	3,421.46	39,847.46	
12/1/27	36,608	2.000%	3,239.33	39,847.33	
3/1/28	36,791	2.000%	3,056.29	39,847.29	
6/1/28	36,975	2.000%	2,872.33	39,847.33	
9/1/28	37,160	2.000%	2,687.46	39,847.46	
12/1/28	37,346	2.000%	2,501.66	39,847.66	
3/1/29	37,533	2.000%	2,314.93	39,847.93	
6/1/29	37,720	2.000%	2,127.26	39,847.26	
9/1/29	37,909	2.000%	1,938.66	39,847.66	
12/1/29	38,098	2.000%	1,749.12	39,847.12	
3/1/30	38,289	2.000%	1,558.63	39,847.63	
6/1/30	38,480	2.000%	1,367.18	39,847.18	
9/1/30	38,673	2.000%	1,174.78	39,847.78	
12/1/30	38,866	2.000%	981.42	39,847.42	
3/1/31	39,060	2.000%	787.09	39,847.09	
6/1/31	39,256	2.000%	591.79	39,847.79	
9/1/31	39,452	2.000%	395.51	39,847.51	
12/1/31	39,649	2.000%	198.25	39,847.25	*
	2,622,055		565,742.33	3,187,797.33	

* Plus a quarterly administrative fee of $3,535.89 for a total administrative expense of $282,871.20

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 29th day of October 2010.

CASE NO. 09-0880-S-SCN (Reopened)

CITY OF HUNTINGTON SANITARY BOARD, a municipal utility, Cabell County.

Application for a certificate of convenience and necessity to construct, operate and maintain improvements to the Sanitary Board's sewer system and to extend sewer service to Kinetic Park and for approval of related financing.

COMMISSION ORDER

The Commission approves further revised financing for this project.

BACKGROUND

On September 20, 2009, the Commission granted the City of Huntington Sanitary Board a certificate of convenience and necessity for a six-part[1] project to construct, operate and maintain improvements to its sewage system and to extend service to Kinetic Park. Rec. Dec. pp. 11-12 (Aug. 31, 2009, final Sept. 20, 2009). The Commission also approved Huntington's receipt of a $11,115,203 loan under the American Recovery and Reinvestment Act of 2009 (ARRA) with a negative three percent interest rate for a thirty-eight year term to finance the project. Huntington was required to petition the Commission for approval of any changes to project scope or to project costs or financing that required a rate increase, or if Huntington did not receive the ARRA loan.

---

[1] Part 1, estimated to cost $3,907,000, will improve sewer service along Hal Greer Boulevard and extend service to Kinetic Park. Part 2, estimated to cost $1,255,000, will replace ejector pumps at four stations. Part 3, estimated to cost $1,868,000, will repair some 2,200 linear feet of sanitary sewer along 13th and 19th Streets. Part 4, estimated to cost $936,000, will allow Huntington to monitor flows at pumping stations and combined sewer overflow locations. Part 5, estimated to cost $821,000, is a Green Infrastructure Project that will, among other things, convert part of the fly ash lagoon to a shallow bio-retention pond to cleanse runoff from the fly ash lagoon and the wastewater treatment plant's on-site storm water, prior to discharge into Krauts Creek. Part 6, estimated to cost $2,238,000, is for aeration system improvements.

While the application was pending, Huntington withdrew its request as to Part 6 and asked the Commission consider Parts 3, 4, and 5 to be extensions in the ordinary course of business. The Commission's Order found Parts 3 and 4 to be extensions in the ordinary course and granted a certificate for Parts 1, 2 and 5. Rec. Dec. p. 10.

On December 28, 2009, Huntington filed a petition to reopen because it did not receive the ARRA loan. Huntington requested approval of revised financing for Part 1, being a $4,022,945 Clean Water State Revolving Fund Loan from the West Virginia Division of Environmental Protection at two percent interest for twenty years, with a one percent annual administrative fee.

On January 11, 2010, the Commission approved the revised financing for Part 1. Comm'n Order p. 3.

On October 19, 2010, Huntington filed another petition to reopen, seeking approval of revised financing for Parts 2 and 3. As to Part 3, Huntington explained that two sinkholes about 100 feet apart have recently opened on 13th Street. A videotape has revealed that the bottom of the concrete sewer pipe has deteriorated and the sidewalls have substantially collapsed. Petition to reopen pp. 2-3. The areas have been backfilled with stone as a temporary measure.

Huntington seeks Commission consent to receive a $2,622,055 loan from the Clean Water State Revolving Fund at two percent interest for twenty years with a one percent annual administrative fee. Huntington advertised for bids for Parts 2 and 3, and the aggregate of the bids received were within the engineering estimates provided with the certificate application. Huntington requested expedited treatment from the Commission because closing on the funding for this work is tentatively scheduled for November 10, 2010.

Huntington attached an affidavit of its accountant, Michael D. Griffth, CPA, stating that sewer rates will not be affected by the proposed funding and will provide sufficient revenues to allow him to make the CPA certification required to issue bonds.

Although the Commission found that Part 3 was construction in the normal course of business, the approved ARRA funding included financing for Part 3 and the Commission held that ". . . if, ultimately, the . . Sanitary Board does not receive any ARRA funding, the . . . Sanitary Board petition the Commission for approval of such change(s) prior to commencing construction." Petition to Reopen p. 2.

On October 2010, Commission Staff recommended that the petition to reopen be granted. Initial & Final Joint Staff Memorandum p. 3. Technical Staff advised that, based on the Staff Recommended Cash Flow Analysis provided with the original funding, the proposed loan will increase Huntington's annual debt service by $159,175 and annual operation and maintenance expenses by $15,327, but rates provide a $1,427,148 surplus, so

the loan for Parts 2 and 3 will not require a rate increase. Utilities & Engineering Divisions Initial & Final Recommendation p. 3, attached to Initial & Final Joint Staff Memorandum.

On October 26, 2010, Huntington advised that it concurred with the Staff recommendation and reiterated its request for expedited treatment. Ltr. p. 1.

DISCUSSION

Huntington has secured reasonable financing terms for Parts 2 and 3, and Staff recommends that the Commission approve the petition to reopen. It is in the public interest for the Commission to reopen this case and approve the further revised funding so that the work described in the petition to reconsider may be completed. This Order resolves all issues that are now outstanding in this case.

FINDINGS OF FACT

1. The Commission approved financing that included an ARRA loan.

2. Huntington did not receive the ARRA funding as planned.

3. Huntington filed a petition to reopen for Commission approval of revised financing for Parts 2 and 3 in the form of a $2,622,055 loan from the Clean Water State Revolving Fund Loan from the West Virginia Division of Environmental Protection at an interest rate of two percent for twenty years with a one percent annual administrative fee.

4. The proposed revised funding will not require a rate increase.

CONCLUSIONS OF LAW

1. Inasmuch as Huntington did not receive the anticipated ARRA funding and instead obtained substitute financing that will not necessitate a rate increase, it is in the public interest to reopen this certificate case and approve the revised funding for Parts 2 and 3.

2. In lieu of the previously approved ARRA funding, the Commission will approve funding for Parts 2 and 3 in the form of a $2,622,055 loan from the Clean Water State Revolving Fund Loan from the West Virginia Division of Environmental Protection at an interest rate of two percent for twenty years with a one percent annual administrative fee.

ORDER

IT IS THEREFORE ORDERED that the petition of the City of Huntington Sanitary Board to reopen this certificate case is hereby granted.

IT IS FURTHER ORDERED that Huntington's request for approval of revised funding for parts 2 and 3 of its Project in the form of a $2,622,055 loan from the Clean Water State Revolving Fund Loan from the West Virginia Division of Environmental Protection at an interest rate of two percent for twenty years with a one percent annual administrative fee is hereby granted.

IT IS FURTHER ORDERED that, except for the revised financing approved in this Order and in the Commission Order issued on January 11, 2010, the September 20, 2009 final order issued in this certificate case remains in full force and effect.

IT IS FURTHER ORDERED that upon entry hereof this case will be removed from the Commission's open docket.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement, by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Commission Staff by hand delivery.

A True Copy, Teste:

Sandra Squire
Executive Secretary

CLW/sek
090880cc.wpd

090880comb0111810.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 11th day of January 2010.

CASE NO. 09-0880-S-SCN (Reopened)

CITY OF HUNTINGTON SANITARY BOARD,
Application for a certificate of convenience and necessity to construct, operate and maintain improvements to the Sanitary Board's sewer system and to extend sewer service to Kinetic Park and for approval of related financing.

COMMISSION ORDER

By Recommended Decision final on September 20, 2009, the Commission granted the City of Huntington Sanitary Board ("City") a certificate of convenience and necessity to construct, operate and maintain improvements to its existing sewage system to Kinetic Park (the "Project"). The Commission also approved financing for the Project including the City's receipt of a loan available under the American Recovery and Reinvestment Act of 1009 ("ARRA") in the amount of $11,115,203 with a -3% interest rate for a term of 38 years (the "ARRA loan").[1] The Order required the City to petition the Commission for approval of any future changes to project scope, changes to project costs or financing that required a rate increase, or if the City did not receive the ARRA loan.

On December 28, 2009, the City filed a petition to reopen stating that it did not receive the ARRA loan, and requesting approval of revised financing for part 1 of the Project in the form of a $4,022,945 Clean Water State Revolving Fund Loan from the West Virginia Division of Environmental Protection (WVDEP), at an interest rate of 2% for a term of 20 years, with a 1% annual administrative fee. The City stated that it still believes it will receive ARRA funding for parts 2 and 5 of the Project. The City stated that the change in funding

[1] Although the City originally requested that the Commission approve six parts of the related construction, the City later withdrew the application as to part 6 and requested that the Commission consider parts 3, 4, and 5 to be extensions in the ordinary course of business, and to grant a certificate of convenience and necessity limited to parts 1 and 2 of the project. See original application filed June 1, 2009; City filing July 30, 2009. The Commission's order final on September 20, 2009 found parts 3 and 4 to be extensions in the ordinary course, and granted a certificate for parts 1, 2 and 5.

will does not affect customer rates. The City asked for expedited treatment of this petition to reopen so that it may close the WVDEP loan on January 12, 2009.

On December 31, 2009, Commission Staff filed a Memorandum recommending that the Commission grant the City's petition to reopen. Staff stated that the revised funding will increase the City's annual debt service by $188,700 and administrative fee expense by $12,897, but that the cash flow analysis with the original funding provided a sufficient surplus so that a rate increase is not required with the revised funding.

DISCUSSION

In view of the fact that ARRA funding became unavailable for part 1 of the City's Project, and as the City has obtained substitute financing that will not necessitate a rate increase, it is in the public interest to reopen this certificate case and approve the revised funding. Accordingly, in lieu of the previously approved ARRA funding, the Commission will approve funding for part 1 of the Project in the form of a $4,022,945 Clean Water State Revolving Fund Loan from the West Virginia Division of Environmental Protection (WVDEP), at an interest rate of 2% for a term of 20 years, with a 1% annual administrative fee.

FINDINGS OF FACT

1. The Commission originally approved certificate project financing that included an ARRA loan.

2. The City did not receive the ARRA funding as planned.

3. The City filed a petition to reopen for Commission approval of revised financing for part 1 of the Project in the form of a $4,022,945 Clean Water State Revolving Fund Loan from the West Virginia Division of Environmental Protection (WVDEP), at an interest rate of 2% for a term of 20 years, with a 1% annual administrative fee.

4. The proposed revised funding will not require a rate increase.

CONCLUSIONS OF LAW

1. In view of the fact that ARRA funding became unavailable for part 1 of the City's Project, and as the City has obtained substitute financing that will not necessitate a rate increase, it is in the public interest to reopen this certificate case and approve the revised funding for part 1 of the Project.

2. In lieu of the previously approved ARRA funding, the Commission will approve funding for part 1 of the certificated Project in the form of a $4,022,945 Clean Water State Revolving Fund Loan from the West Virginia Division of Environmental Protection

(WVDEP), at an interest rate of 2% for a term of 20 years, with a 1% annual administrative fee.

ORDER

IT IS THEREFORE ORDERED that the petition of the City of Huntington Sanitary Board to reopen this certificate case is hereby granted.

IT IS FURTHER ORDERED that the City's request for approval of revised funding for part 1 of its Project in the form of a $4,022,945 Clean Water State Revolving Fund Loan from the West Virginia Division of Environmental Protection (WVDEP), at an interest rate of 2% for a term of 20 years, with a 1% annual administrative fee, is hereby granted.

IT IS FURTHER ORDERED that, except for the revised financing approved in this Order, the September 20, 2009 final order issued in this certificate case remains in full force and effect.

IT IS FURTHER ORDERED that upon entry hereof this case will be removed from the Commission's open docket.

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this order upon all parties of record by United States First Class Mail and upon Commission Staff by hand delivery.

A True Copy, Teste:

Sandra Squire
Executive Secretary

JML/tt
090880cb.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
9/20/2009

Entered: August 31, 2009

CASE NO. 09-0880-S-SCN

CITY OF HUNTINGTON SANITARY BOARD,
Application for a certificate of convenience and necessity to construct, operate and maintain improvements to the Sanitary Board's sewer system and to extend sewer service to Kinetic Park and for approval of related financing.

RECOMMENDED DECISION

PROCEDURAL

On June 1, 2009, the City of Huntington Sanitary Board (Board or City) filed an application for a certificate of public convenience and necessity with the Public Service Commission, pursuant to W. Va. Code §24-2-11, for approval to construct improvements to its sewer system and to extend sewer service to Kinetic Park, an area of future development in the service area (Project). The proposed Project, estimated to cost $11,115,000, will improve the collection, transmission and treatment of wastewater and consists of six (6) parts.

Part 1 of the Project, the Hal Greer Boulevard Sanitary Sewer, is estimated to cost $3,907,000 and is designed to improve sewer service to several existing customers, bring sewer service to existing sanitary board customers who currently use holding tanks and extend new service to Kinetic Park. Part 2 of the Project, the Richmond Street/Oak Street/22nd Street/Krauts Creek Pumping Station Improvements, will replace ejector pumps at the specified four stations with submersible pumps, in order to improve the reliability of the stations and increase the volume of wastewater that can be pumped through the stations. The estimated cost of that part of the Project is $1,255,000. Part 3 of the Project, the 13th Street and 19th Street Sanitary Sewer Rehabilitation and Replacement, is estimated to cost $1,868,000 and is designed to rehabilitate approximately 1600 linear feet of 18-inch to 36-inch sanitary sewer that is in poor condition and replace approximately 600 linear feet of sanitary sewer due to severe deterioration. Part 4 of Project, the Flow Monitoring and Combined Sewer Overflow (CSO) Modifications, estimated to cost $936,000, will allow the City to monitor the flow at 20 pumping stations and CSO locations throughout the City's collection system, in addition to providing structural improvements to the Krauts Creek CSO. Part 5 of the Project is a Green Infrastructure Project, consisting of the conversion of at least one acre of the existing fly ash lagoon to a

bio-retention pond. The pond will become shallow and contain vegetation to cleanse runoff from the fly ash lagoon, as well as the wastewater treatment plant's on-site storm water, prior to discharge into Krauts Creek. The City also will construct a bio-retention swale at the end of the parking area of the sewer maintenance buildings west of the wastewater treatment plant, to catch potential runoff from the maintenance area and treat it prior to discharge into Krauts Creek. The final section of Parts 5 consists of the construction of porous pavement in the main parking area and other adjacent areas. Porous paving is proposed for the parking lot at the wastewater treatment plant in order to decrease sediments which erode from the site. The construction of Part 5 is estimated to cost $821,000. Part 6 of the Project, the aeration system improvements, is estimated to cost $2,238,000 and is proposed to improve energy efficiency. It is also a Green Infrastructure Project.

It is the City's intention that the Green Infrastructure portions of the proposed project, totaling $3,149,000, be grant funded. The remaining Project cost of $7,966,000 is to be loan financed. The City is seeking funding through The American Recovery and Reinvestment Act of 2009 (ARRA) for the total Project cost of $11,115,000.

Along with the application, the City filed several items on the *Commission's checklist for water and sewer certificate applications*, including a Rule 42 exhibit; the City's proposed two-phased rate ordinance; the City's current sewer tariff; the preliminary engineering report for the Project; the intergovernmental agreements to which the Sanitary Board is a party; the WVNPDES Water Pollution Control Permit under which the City operates; a list of certified operators employed by the Sanitary Board; and information regarding portions of the checklist which could not be filed with the application. The City indicated that the proposed Project will not require a modification of its existing boundaries and that the Project will not infringe upon another utility's service area. The City indicated that its resale customers will be financially affected by the project through the proposed increase in the City's sewer rates. The City indicated that it anticipated advertising for bids in October 2009. The City noted that the Project had been submitted to the West Virginia Infrastructure and Jobs Development Council (IGADC) on May 20, 2009.

By Notice of Filing Order entered on June 5, 2009, the Commission directed the City to provide notice to its customers of the filing of the application. The notice provided anyone interested with thirty (30) days from the date of publication in which to file written protests or motions to intervene in this matter. The notice also provided that, if no substantial protest to the application was filed within the 30-day period, the Commission could waive formal hearing and grant the application based upon the evidence submitted with the application and the Commission's review thereof.

On June 10, 2009, Staff Attorney Cassius H. Toon filed the Initial Joint Staff Memorandum herein, attached to which was the Initial and Internal Memorandum prepared by Utilities Analysts Pamela Latocha and Sandy Mitchell of the Water and Wastewater Division and Technical Analyst James Spurlock of the Engineering Division. Commission Staff noted that its review of the application had commenced and that it required nine (9) additional pieces of information in order to complete its review. Staff

recommended that the case be referred to the Division of Administrative Law Judges. Along with the Initial Joint Staff Memorandum, Staff Attorney Toon filed Commission Staff's First Set of Interrogatories and Data Requests upon the City, requesting the information specified in the Staff Memorandum.

On June 11, 2009, a protest letter with respect to the City of Huntington's request for a 23% sewer rate increase was filed by Nancy Lucas, of Huntington, West Virginia.

On June 15, 2009, the City filed a letter noting that, on June 9, 2009, it had adopted an ordinance increasing, in two (2) phases, the sewer rates to be charged to customers of the Sanitary Board. Phase I of the increased sewer rates is to become effective on July 24, 2009, while Phase II of the increased rates is to become effective upon completion of the proposed sewer system upgrade which is the subject of this case or upon commencement of debt service associated with the financing of that project, whichever occurs first. With the letter, the City filed a copy of the ordinance; two (2) different sewer tariffs, one containing the Phase I rates and the other containing the Phase II rates; a revised Rule 42 Exhibit for the year ended June 30, 2008; an affidavit evidencing Class 2 publication of the Public Notice of Proposed Ordinance, prior to final reading and adoption; Tariff Form No. 12, which was forwarded on June 10, 2009, to The Herald Dispatch, a newspaper published and generally circulated in Cabell County; and a press release forwarded to The Herald Dispatch on June 10, 2009. The City noted that it had 21,706 sewer customers.

On June 17, 2009, the Commission issued a Referral Order in this matter, referring this proceeding to the Division of Administrative Law Judges for a decision to be rendered on or before August 31, 2009.

On June 22, 2009, the City filed its response to Commission Staff's First Set of Interrogatories and Data Requests. Among other things, the City stated that the plans and specifications have not yet been completed, but it anticipated filing the plans and specifications for Parts 1 and 2 of the Project on or about July 1, 2009, for Part 3 of the Project on or about July 15, 2009, for Part 4 of the Project on or about August 15, 2009, and for Parts 5 and 6 of the Project on or about September 15, 2009.

On June 23, 2009, the City filed its First Supplemental Response to Commission Staff's First Set of Data Requests and Interrogatories.

On June 30, 2009, the City filed a Second Supplemental Response to Commission Staff's First Set of Data Requests and Interrogatories, along with two (2) sets of the Parts 1 and 2 plans and specifications of the Project.

On July 7, 2009, the City of Kenova filed a Motion to Intervene in this proceeding. Kenova stated that it was a resale customer of the City of Huntington Sanitary Board and would be directly affected by the decisions made and rates established in this proceeding. Kenova did not protest the proposed project.

On July 17, 2009, the City filed two (2) documents. The first was the June 24, 2009 letter to it from the West Virginia Department of Environmental Protection (DEP), informing the City that it appeared to be eligible to be considered for an $11,115,203 loan, with a -3% interest rate for a term of 38 years, equaling a debt forgiveness of approximately 50%. There would also be an annual administrative fee of 1% for the amount of the loan to be repaid.

The second document filed on July 17, 2009, was the City's response in opposition to Kenova's Motion to Intervene. While the City acknowledged that Kenova was a resale customer of the Sanitary Board and subject to the rates and charges approved by the Huntington City Council, since there had been no protests sufficient to institute a municipal appeal proceeding of the municipal ordinance under W. Va. Code §24-2-4b, the Commission's decision in this proceeding would not affect the rates to be paid by the City of Kenova. The City requested that the Commission determine that Kenova had failed to establish sufficient grounds on which to intervene, and that the Motion to Intervene be denied. In the alternative, the City requested that, if the Commission determines that Kenova's Motion to Intervene should be granted, it also determine that the Motion to Intervene does not constitute a substantial protest under the provisions of W. Va. Code §24-2-11(e) as amended in 2009 by H.B. 2863, so that the Project may continue to proceed under the time period provided in that Code section.

On July 24, 2009, the City filed a revised cash flow analysis reflecting the adopted municipal ordinance and indicating that, upon Project completion, the City anticipated an annual cash flow surplus of $185,704, with debt service coverage of 302.08%.

Also on July 24, 2009, the City filed the affidavit of publication of the Commission's Notice of Filing Order in The Herald Dispatch, a qualified newspaper, published and generally circulated in Huntington, Cabell County, on June 13, 2009. The public protest period expired on July 13, 2009, with only the protest letter from Ms. Lucas and the Motion to Intervene from the City of Kenova filed with the Commission in response thereto. Along with the affidavit of publication, the City submitted the reminder of the proof of notice required by the Commission's rules and regulations, including the mailing of the Notice of Filing by certified mail upon the City's resale customers.

On July 30, 2009, the City filed a letter requesting that Parts 3, 4 and 5 of the application be considered as ordinary extensions in the usual course of business that would not require a certificate of convenience and necessity from the Public Service Commission. The City asserted that the those three parts of the Project are in the nature of accumulated repair and replacement projects which will not add new customers and, in the case of Part 5, will likely only be undertaken if the City receives "Green" stimulus funding. In the alternative, if it is determined that a certificate for Part 3, 4 or 5 is required, the City requested that the Commission grant a certificate for those parts contingent upon the City obtaining approval for the plans and specifications from DEP prior to construction. The City also indicated that, based upon its further review of the Aeration System Improvements, which were Part 6 of the application, the City has decided to not proceed with that part of the application at this time.

On August 4, 2009, Staff Attorney Toon filed the Final Joint Staff Memorandum in this proceeding, attached to which was the Final Staff Internal Memorandum prepared by Ms. Latocha, Ms. Mitchell and Mr. Spurlock. Commission Staff noted that the Project now has been approved by the IJDC in Project No. 2009S-1114. The engineering review reflected that, to date, Staff had only received plans and specifications for Parts 1 and 2 of the Project. It is Staff's understanding that plans for Parts 3 through 6 of the Project have not been completed. After reviewing the nature and scope of the construction of the various portions of the Project, Staff was of the opinion that Parts 3 and 4 of the application could be considered as construction in the ordinary course of business. Commission Staff concluded that Part 5 of the Project did not appear to be construction in the ordinary course of business. However, due to the nature and limited scope of that portion of the Project, Staff was of the opinion that it could be approved, contingent upon the plans and specifications, upon completion, being approved by the DEP. Some mapping had been provided in the preliminary engineering report, showing the general scope and location of the bio-retention pond, the parking lot swale and the porous pavement.

The total Project cost for Parts 1, 2 and 5 is $5,983,000, representing a cost per customer of approximately $268. The engineering fees are approximately 6.5% of the construction costs. The Board is anticipating an annual increase in operation and maintenance (O&M) expense for Parts 1, 2 and 5 of $33,877.11. Commission Staff reviewed the City's supporting calculations for the O&M calculations and believes them to be reasonable. The Board still has not received permits from DEP for Parts 1 and 2 of the application, although it anticipates receiving those permits in the near future. Staff recommended that the granting of a certificate be contingent upon the receipt of permits from the DEP for Parts 1, 2 and 5 of the Project.

The financial review of the application noted the letter from DEP informing the City that it appeared eligible to be considered for an $11,115,203 loan, with a -3% interest rate for a term of 38 years, equaling debt forgiveness of approximately 50%. Since the scope of the Project has changed, with the deletion of Part 6 of the Project and the request that Parts 3 and 4 be deemed to be constructed in the ordinary course of business, the financial aspects of the application had changed also. The total cost of all parts of the Project and non-Project work will now be $8,787,295. Staff contacted the DEP on July 31, 2009, regarding the change in the Project and DEP indicated that it would not be issuing any updated funding letter. Since the cost of the work proposed is less that the original amount proposed, Staff believes that it is reasonable to recommend approval of the total Project cost of $8,787,295. The annual payment on the loan in that amount would be $121,265 and the annual administrative fee will be $18,278. The loan will require a bond reserve of 10% of the annual payment. However, according to the City's accountant, the bond reserve is pre-funded. The loan will also required a depreciation/renewal and replacement reserve equal to 2.5% of operating revenues, or approximately $266,189.

Financial Staff noted that Phase I of the City's ordinance became effective on July 24, 2009, while Phase II of the ordinance will not become effective until substantial completion of the Project or commencement of debt service, whichever occurs first. After making

certain adjustments to the City's updated Rule 42 information, Commission Staff estimated that, upon Project completion, the City should generate a cash flow surplus of $1,427,148 and a debt service coverage of 263.80%. Financial Staff believes that the Project, as proposed, with the adopted rates, is financially feasible and should be approved. Commission Staff concluded that the City is in sound financial condition and will only benefit from the work proposed in this case.

In summary, Commission Staff recommended that the City be granted a certificate of convenience and necessity for Parts 1, 2 and 5 of the originally filed Project; that Parts 3 and 4 of the proposed Project be considered as work in the normal course of business, not requiring a certificate; that the proposed ARRA funding be approved; and that certain other conditions regarding the Project be adopted.

On August 24, 2009, the City filed a copy of its WVNPDES Permit Modification, for Part 1 of the Project.

On August 26, 2009, the City filed DEP's approval for the construction of the proposed sewer project.

DISCUSSION

The Project at issue herein, in and of itself, is not remarkable and appears to be well-justified. There is more than ample proof of need to support the conclusion that the public convenience and necessity require the Project and that the Project appears to be economically and financially viable, based upon the proposed ARRA funding and the City's recently enacted revised sewer rates and charges. This Project is remarkable because it is one of the SCN applications created by the Public Service Commission in General Order No. 182.09, issued on April 16, 2009. In that General Order, the Commission discussed the process to be followed for water and sewer certificate projects that are to be funded with stimulus funds under the ARRA.[1] The Commission noted that the State Bureau for Public Health will have approximately 19.5 million dollars in federal stimulus funds for water projects, while the DEP will have approximately 61 million dollars for sewer projects. Those projects have to be bid by August 2009 and the contracts awarded by October 2009. The economic stimulus projects are made more complicated by the fact that the funding agencies overseeing the distribution of economic stimulus funds will not be finally awarding those funds through a traditional commitment letter until approximately August or September of 2009. Economic stimulus money is awarded on a "first come, first served" basis and there is no guarantee that any project which received a letter from either DEP or the Bureau for Public Health, indicating that a project was eligible for certain level of ARRA funding, will actually receive the originally specified level of ARRA funding, or any ARRA funding at all.

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[1]While the availability of ARRA funding has generated a flurry of SCN certificate filings with accelerated timelines, there has been no statutory change in the West Virginia Code to accommodate the ARRA funding. For the purposes of W. Va. Code § 24-2-11, ARRA funding is no different from any other funding.

In General Order No. 182.09, the Commission determined that, for already certificated municipal water or sewer projects whose funding packages will change due to the award of ARRA funds, a municipality need not petition the Commission to reopen the certificate proceeding for approval of that revised financing, but, instead, can simply file a letter with the Commission, as a closed entry, detailing the new financing package, with no further Commission action.

Traditionally, orders granting certificates of convenience and necessity to municipally-operated public utilities have specifically approved the funding package proposed for the municipal water or sewer project and have required that the municipally-operated public utility file a petition to reopen the proceeding to obtain Commission approval of any changes to project financing only in the event that project costs change and rates are affected, either requiring increases or decreases. That process is being retained in large part for municipal projects using ARRA funds, since that process provides a reasonable, and streamlined, means of addressing the timing problems associated with ARRA projects, i.e., the financing will not be finally committed until sometime in August or September of 2009 and contracts must be awarded on or before October 1, 2009. The biggest difference is the approval of project financing that has not been committed. To further accommodate the timing constraints of ARRA, essentially, the determination is being made in advance that any funding package that includes ARRA funds is reasonable, so that changes to an ARRA funding package do not require additional review, unless rates have to be increased.

Despite the ARRA constraints, the Public Service Commission has an obligation with regard to any certificate application, whether it is filed by a private utility, a public service district or a municipality, to insure that the project is economically feasible and financially viable, which includes guaranteeing that there is adequate financing to fund the proposed project. See, Town of Man and Man Water Works, Inc., Case No. 81-433-W-PC, Order Affirming Hearing Examiner's Decision, April 16, 1982, 69 ARPSCWV 1893; Ohio County Public Service District, Case No. 82-482-S-CN, Order Affirming Hearing Examiner's Decision Without Prejudice, April 8, 1983, 70 ARPSCWV 2049. See also, Sexton v. Public Service Commission, 188 W. Va. 305, 423 S.E.2d 914, (1992). Accordingly, the City must reopen this proceeding for Commission review and approval of project changes which generate rate changes, with the clarification that this requirement will apply only to rate increases. Further, it is reasonable to include an ordering paragraph prohibiting the municipally-operated public utility from commencing construction, unless it has secured adequate funding to cover all project costs, as those costs have been determined upon the conclusion of the bidding process and after bids have been awarded for all of the construction contracts associated with the project, and to file that information with the Commission. The City will be required to file with the Commission a letter detailing the final funding package for this project upon that information being known, along with the bid tabulations for each construction contract to be awarded for the project. Those filings should be made as closed entries and should not be treated as petitions to reopen.

In the event that, after the filing of the letter by the municipally-operated public utility providing the details of the finalized funding package for the certificated project, Commission Staff

concludes, based upon its own independent analysis, that either the specified funding package or the municipal rates are insufficient to cover all project costs, it will be the obligation of Commission Staff to petition the Public Service Commission to reopen the municipal certificate proceeding for the purpose of reviewing the financial viability of the certificated project.

As with all certificate applications filed with the Commission, in the event that the project scope changes, or changes in project cost and/or financing require a further rate increase, or if the City ultimately receives no ARRA funding, the City will be required to file a petition to reopen this matter, to allow the Commission to assess the nature of the project changes, both to determine if they are adequately funded and to determine if those changes are appropriate and not in conflict with any state laws or Commission rules, and to insure that funding package and associated rates support the economic feasibility and financial viability of the project.

With respect to the City of Kenova's Motion to Intervene, there is no basis upon which the undersigned should deny said motion. A resale customer of a public utility who has filed an application for a certificate of convenience and necessity with the Commission is generally always entitled to intervenor status. It should be noted, however, that, since the filing of the Motion to Intervene, the City has served upon Kenova all of the documents which it has filed in this matter and the Commission's Executive Secretary served a copy of the Final Joint Staff Memorandum and attachment upon Kenova's counsel by letter dated August 4, 2009. That letter, which was also served upon the City, provided both entities with five (5) days in which to submit written responses to the Staff recommendation. As of the date of this decision, the City of Kenova has filed nothing further in this matter, in response to any of the City's filings or in response to the Final Joint Staff Memorandum. Accordingly, the undersigned believes it is reasonable to determine that the City of Kenova's Motion to Intervene did not constitute a protest at all, since it actually did not protest the Project, and to determine that, with only the one (1) protest letter and Kenova's Motion to Intervene, no substantial protest has been filed in response to the publication of the Notice of Filing of the City's application.

FINDINGS OF FACT

1. On June 1, 2009, the City of Huntington Sanitary Board filed an application with the Public Service Commission for a certificate of public convenience and necessity to construct, operate and maintain improvements to its existing sewerage system and to extend sewer service to Kinetic Park. The application listed six different parts of the Project, totaling $11,115,203. The Project has been approved by the West Virginia Infrastructure and Jobs Development Council. (See, application filed June 1, 2009; Final Joint Staff Memorandum and attachment filed August 4, 2009).

2. By Notice of Filing Order entered on June 5, 2009, the City of Huntington Sanitary Board was required to publish a Notice of Filing one time in a newspaper, published and generally circulated in Cabell County,

providing anyone affected by the application thirty (30) days in which to file written protests with the Public Service Commission. Only one protest was filed within the thirty-day protest period or as of the date of this Order. (See, Notice of Filing Order entered June 5, 2009; affidavit of publication filed July 24, 2009; case file generally).

3. After filing the application, the City requested that the Commission determine that Parts 3, 4 and 5 of the application be considered as construction in the normal course of business and, thus, not requiring a certificate of convenience and necessity. The City also stated that it had decided not to proceed with Part 6 of the application. The total cost of Parts 1 and 2 is $5,162,000. The cost of Part 3 was $1,868,000; the cost of Part 4 was $936,000; the cost of Part 5 was $821,000; and the cost of Part 6 was $2,328,000. (See, letter filed June 30, 2009; Final Joint Staff Memorandum and attachment filed August 4, 2009).

4. The City has received a letter from the West Virginia Department of Environmental Protection, informing it that the Project is eligible to be considered for an award of economic stimulus funds, under The American Recovery and Reinvestment Act of 2009, with said funding to be in the form of an $11,115,203 loan, with a -3% interest rate for a term of 38 years, which equals an approximate 50% debt forgiveness. There will also be an annual administrative fee in the amount of 1% for the amount of the loan to be repaid. Even though the scope of the project has changed, DEP will not issue a revised letter. (See, DEP letter dated June 24, 2009, filed July 17, 2009; Final Joint Staff Memorandum and attachment filed August 4, 2009).

5. The Project will not require an additional rate increase. In 2009, the City enacted a 2-step rate increase with the first step to become effective on July 24, 2009, and the second step to become effective upon substantial completion of the Project or upon commencement of payment of debt service, whichever comes first. Based upon the rates to be in effect at the time the Project is expected to be completed, and with adjustment by Commission Staff for different expenses, the City should experience a cash flow surplus of $1,427,148, with debt service coverage of 263.80%. (See, Final Joint Staff Memorandum and attachment filed August 4, 2009).

6. Commission Technical Staff has reviewed the original plans and specifications for Parts 1 and 2 of the Project and has concluded that there are no conflicts with the Commission's Sewer Rules concerning engineering requirements. While Staff was not provided with the plans for Part 5 of the Project, Staff felt that, due to the nature and limited scope of that part of the Project, DEP approval of those plans should be sufficient. (See, Final Joint Staff Memorandum and attachment filed August 4, 2009).

7. Part 1 of the Project, the Hal Greer Boulevard Sanitary Sewer, consisting of the construction of approximately 12,000 feet of gravity sewer, 4,600 feet of 12-inch force main and one submersible pump station, will improve service to existing customers and extend service to Kinetic Park, an area of future development. Part 2, the Richmond Street/Oak Street/22nd Street/Krauts Creek Pumping Station Improvements, will replace ejector pumps with submersible pumps at four stations to improve

reliability and increase the volume of water pumped. (See, application filed June 1, 2009; Final Joint Staff Memorandum and attachment filed August 4, 2009).

8. After concluding its review, Commission Staff recommended that a certificate of convenience and necessity be granted to the City of Huntington Sanitary Board for Parts 1, 2 and 5 of the original application, contingent upon DEP approval of the plans and specifications for those parts, that the proposed ARRA financing be approved and that various other conditions with regard to certification of the Project be adopted. (See, Final Joint Staff Memorandum and attachment filed August 4, 2009).

CONCLUSIONS OF LAW

1. The Public Service Commission is empowered to require all public utilities, including municipally-operated public utilities, to demonstrate that a proposed water or sewer project is economically feasible and financially viable by demonstrating that they have secured adequate funding to cover all project costs, as those project costs are determined to be at the conclusion of the bidding process, and that the resulting rates are just, reasonable, applied without unjust discrimination or preference and based primarily on the cost of providing service. See, W. Va. Code §24-2-4b; State ex. rel. Public Service Commission v. Town of Fayetteville, 212 W. Va. 427, 573 S.E.2d 338 (2002); Town of Man and Man Water Works, Inc., Case No. 81-433-W-PC, Order Affirming Hearing Examiner's Decision, April 16, 1982, 69 ARPSCWV 1893; Ohio County Public Service Commission, Case No. 82-482-S-CN, Order Affirming Hearing Examiner's Decision Without Prejudice, April 8, 1983, 70 ARPSCWV 2049. See also, Sexton v. Public Service Commission, 188 W. Va. 305, 423 S.E.2d 914, (1992).

2. In order to accommodate the unique timing issues involving the economic stimulus funds provided under The American Recovery and Reinvestment Act of 2009, and recognizing that these funds are available for a short period on a one-time only basis, it is reasonable to modify some of the Commission's traditional requirements regarding certificate applications, as set forth in the ordering paragraphs of this decision.

3. The public convenience and necessity require Parts 1, 2 and 5 of the proposed Project.

4. Parts 3 and 4 of the original application represent construction in the ordinary course of business which does not require a certificate of convenience and necessity from the Public Service Commission.

5. The rates and charges enacted by the City of Huntington appear to be sufficient to cover all project-related costs, as well as the City's going-level operation and maintenance expenses.

6. The proposed funding package for the Project, consisting of the DEP loan of ARRA funds in the amount of $11,115,203, at an interest rate of negative 3% with a 1% annual administrative fee, is reasonable and is

more than sufficient to cover the cost of the Project, at its current cost estimates.

7. Because ARRA funds represent an additional one-time infusion of capital for West Virginia water and sewer projects, with extremely favorable terms, it is reasonable to conclude that any funding package which includes ARRA funds is convenient to the public, without further review, as long as rates do not have to be increased to support funding revisions made after a certificate is granted.

8. The one protest letter filed by Ms. Lucas, and the Motion to Intervene filed by Kenova, in which Kenova did not protest the Project, do not constitute substantial protest pursuant to W. Va. Code §24-2-11.

9. A certificate of convenience and necessity should be granted to the City of Huntington Sanitary Board for Part 1, 2 and 5 of the Project specified herein, without specifically approving the project's plans and specifications.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by the City of Huntington Sanitary Board on June 1, 2009, for a certificate of convenience and necessity to construct Parts 1, 2 and 5 of the originally requested application, all as more particularly described in the plans and specifications filed with the application, at a total cost of approximately $5,983,000, be, and it hereby is, granted, without specifically approving the plans and specifications filed herein, and specifically conditioned upon approval of the plans and specifications for Parts 1, 2 and 5 of the application by the Department of Environmental Protection prior to construction.

IT IS FURTHER ORDERED that Parts 3 and 4 of the original application filed herein on June 1, 2009, consisting of the 13th Street and 19th Street Sewer Rehabilitation and Replacement and the Flow Monitoring and Combined Sewer Overflow Modifications, be deemed to be construction in the ordinary course of business that does not require a certificate of convenience and necessity from the Public Service Commission.

IT IS FURTHER ORDERED that Part 6 of the original application filed on June 1, 2009, consisting of the Aeration System Improvements, be, and it hereby is, dismissed, as withdrawn by the City of Huntington Sanitary Board.

IT IS FURTHER ORDERED that the proposed project financing package, consisting of a loan in the amount of $11,115,203 from the Department of Environmental Protection, at an interest rate of negative 3%, for a term of 38 years, with a 1% annual administrative fee, using funds provided by The American Recovery and Reinvestment Act of 2009, be, and it hereby is, approved. Upon finalization of the funding package, the City of Huntington Sanitary Board shall file a letter with the Commission detailing the specifics of that funding package, including the terms and conditions of any loans awarded. If the funding package is revised, but still includes ARRA funds, the City is not required to petition the

Commission for approval of that revised project financing, as long as the revised ARRA funding package does not require an additional rate increase. It will be sufficient for the City to file the revised funding commitment documentation, along with a certification from its certified public accountant or bond counsel that the revised funding package is adequate to cover all project costs and will not require any additional rate increase.

IT IS FURTHER ORDERED that, if the project scope changes, if project costs or financing require a further rate increase beyond any reviewed in this application, or if, ultimately, the City of Huntington Sanitary Board does not receive any ARRA funding, the City of Huntington Sanitary Board petition the Commission for approval of such change(s) prior to commencing construction.

IT IS FURTHER ORDERED that the City of Huntington Sanitary Board cannot proceed to construction unless and until it has received all required federal, state and local permits, and unless the finally-awarded ARRA funding package is adequate to cover all project costs, as determined at the conclusion of the bidding process with a bid awarded for each construction contract or vendor contract for the project.

IT IS FURTHER ORDERED that the City of Huntington Sanitary Board provide a copy of the engineer's certified tabulation of bids, within ten (10) days of the bid opening date, for each construction contract or vendor contract to be awarded for this project.

IT IS FURTHER ORDERED that the City of Huntington Sanitary Board provide a copy of the certification of substantial completion for each contract associated with this project, within ten (10) days of issuance.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, the City of Huntington Sanitary Board comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

IT IS FURTHER ORDERED that the City of Kenova's petition to intervene be, and it hereby is, granted.

IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

Melissa K. Marland
Chief Administrative Law Judge

MKM:cdk:bam
090880a.wpd

WEST VIRGINIA
Infrastructure & Jobs Development Council

Gov. Joe Manchin, III
Chairman

Kenneth Lowe, Jr.
Public Member

Dwight Calhoun
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Angela K. Chestnut, P.E.
Executive Director

Barbara J. Pauley
Administrative Secretary

July 16, 2009

Loretta L. Covington, Executive Director
City of Huntington Sanitary Board
1217 Adams Avenue
Huntington, WV 25704

Re: City of Huntington Sanitary Board
Sewer Project 2009S-1114

Dear Ms. Covington,

The West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) has reviewed the City of Huntington Sanitary Board's (City) preliminary application to extend the Hal Greer Boulevard sanitary sewer, improvements to four Pump Stations, rehabilitate 13th and 19th Streets' sewer, modify the flow monitoring/CSO and improve "green" infrastructure (Project).

Based on the findings of the Sewer Technical Review Committee, the Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The City should carefully review the enclosed comments of the Sewer Technical Review Committee as the City may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the preliminary application, the Infrastructure Council determined that the City should pursue a $3,149,113 Clean Water State Revolving Fund "Green Reserve" American Recovery and Reinvestment Act assistance grant and $6,966,090 Clean Water State Revolving Fund American Recovery and Reinvestment Act assistance to fund this $11,115,203 Project. Please contact the West Virginia Division of Environmental Protection office at 304-926-0499 (X1611) for specific information on the steps the City needs to follow to apply for these funds. **Please note that this letter does not constitute funding approval from this agency.**

If you have any questions regarding this matter, please contact the Angela Chestnut at 304-558-4607 (X201).

Sincerely,

Kenneth Lowe, Jr.

Enclosure
cc: Mike Johnson, P.E., DEP (w/o enclosure) *(via e-mail)*
Region II Planning & Development Council
Patrick Taylor, P.E., Potesta & Associates, Inc.

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On the 10th day of November, 2010, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of The City of Huntington (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 10th day of November, 2010, the Authority received the Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), of the Issuer, in the principal amount of $2,622,055, numbered BR-1 (the "Series 2010 B Bonds") issued as a single, fully registered Bond, and dated November 10, 2010.

2. At the time of such receipt, all the Series 2010 B Bonds had been executed by the Mayor and the City Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2010 B Bonds, of $131,103, being a portion of the principal amount of the Series 2010 B Bonds. The balance of the principal amount of the Series 2010 B Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

THE CITY OF HUNTINGTON

By: _____
Its: Mayor

07.06.10
435500.00027

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 10th day of November, 2010.

(1) Bond No. BR-1, constituting the entire original issue of The City of Huntington Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), in the principal amount of $2,622,055, dated November 10, 2010 (the "Series 2010 B Bonds"), executed by the Mayor and the City Clerk of The City of Huntington (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on September 28, 2009, a Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on December 28, 2009, and a Second Supplemental Resolution and Second Conformed Bond Ordinance duly adopted by the Issuer on October 25, 2010 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-described Bond issue, duly certified by the City Clerk of the Issuer;

(3) Executed counterparts of a Loan Agreement for the Series 2010 B Bonds, dated November 10, 2010, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"); and

(4) Executed opinions of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Series 2010 B Bonds.

You are hereby requested and authorized to deliver the Series 2010 B Bonds to the Authority upon payment to the Issuer of the sum of $131,103, representing a portion of the principal amount of the Series 2010 B Bonds. Prior to such delivery of the Series 2010 B Bonds, you will please cause the Series 2010 B Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

THE CITY OF HUNTINGTON

By:
Its: Mayor

10.12.10
435500.00027

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON
SEWER REVENUE BONDS, SERIES 2010 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-1 $2,622,055

KNOW ALL MEN BY THESE PRESENTS: That on the 10th day of November, 2010, THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of TWO MILLION SIX HUNDRED TWENTY TWO THOUSAND FIFTY FIVE DOLLARS ($2,622,055), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2012 to and including December 1, 2031 as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference with 2% interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2012 to and including December 1, 2031 as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee of 1% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing March 1, 2012 as set forth on Exhibit B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement (the "Loan Agreement") by and among the Issuer, the Authority, and the DEP, dated November 10, 2010. This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP").

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) funding the Series 2010 B Reserve Account; and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 28, 2009, a Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on December 28, 2009 and a Second Supplemental Resolution and Second Conformed Ordinance duly adopted by the Issuer on October 25, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"); (II) SEWER REVENUE BOND, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550, (THE "SERIES 1999 BONDS"); (III) SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 BONDS"); (IV) SEWER REVENUE BONDS, SERIES 2006 A, DATED NOVEMBER 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,150,000 (THE "SERIES 2006 A BONDS"); AND (V) SEWER REFUNDING REVENUE BONDS, SERIES 2007, DATED DECEMBER 27, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $5,500,000 (THE "SERIES 2007 BONDS"); AND (VI) SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 12, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,022,945, (THE "SERIES 2010 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2010 B Bonds (the "Series 2010 B Bonds Reserve Account"), and unexpended proceeds of the Series 2010 B Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2010 B Bonds Reserve Account

and unexpended proceeds of the Series 2010 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Series 2010 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 B Bonds including the Prior Bonds; provided however, that, so long as there exists in the Series 2010 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2010 B Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

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

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: November 10, 2010.

THE HUNTINGTON NATIONAL BANK
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $131,103	November 10, 2010	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE

City of Huntington

CWSRF

2% Interest Rate, 1% Administrative Fee

20 years

Dated Date	11/10/2010
Delivery Date	11/10/2010

Period Ending	Principal	Coupon	Interest	Debt Service
11/10/2010				
3/1/2012	26,737	2.000%	13,110.28	39,847.28
6/1/2012	26,871	2.000%	12,976.59	39,847.59
9/1/2012	27,005	2.000%	12,842.24	39,847.24
12/1/2012	27,140	2.000%	12,707.21	39,847.21
3/1/2013	27,276	2.000%	12,571.51	39,847.51
6/1/2013	27,412	2.000%	12,435.13	39,847.13
9/1/2013	27,549	2.000%	12,298.07	39,847.07
12/1/2013	27,687	2.000%	12,160.33	39,847.33
3/1/2014	27,826	2.000%	12,021.89	39,847.89
6/1/2014	27,965	2.000%	11,882.76	39,847.76
9/1/2014	28,105	2.000%	11,742.94	39,847.94
12/1/2014	28,245	2.000%	11,602.41	39,847.41
3/1/2015	28,386	2.000%	11,461.19	39,847.19
6/1/2015	28,528	2.000%	11,319.26	39,847.26
9/1/2015	28,671	2.000%	11,176.62	39,847.62
12/1/2015	28,814	2.000%	11,033.26	39,847.26
3/1/2016	28,958	2.000%	10,889.19	39,847.19
6/1/2016	29,103	2.000%	10,744.40	39,847.40
9/1/2016	29,249	2.000%	10,598.89	39,847.89
12/1/2016	29,395	2.000%	10,452.64	39,847.64
3/1/2017	29,542	2.000%	10,305.67	39,847.67
6/1/2017	29,690	2.000%	10,157.96	39,847.96
9/1/2017	29,838	2.000%	10,009.51	39,847.51
12/1/2017	29,987	2.000%	9,860.32	39,847.32
3/1/2018	30,137	2.000%	9,710.38	39,847.38
6/1/2018	30,288	2.000%	9,559.70	39,847.70
9/1/2018	30,439	2.000%	9,408.26	39,847.26
12/1/2018	30,591	2.000%	9,256.06	39,847.06
3/1/2019	30,744	2.000%	9,103.11	39,847.11
6/1/2019	30,898	2.000%	8,949.39	39,847.39
9/1/2019	31,053	2.000%	8,794.90	39,847.90
12/1/2019	31,208	2.000%	8,639.63	39,847.63
3/1/2020	31,364	2.000%	8,483.59	39,847.59
6/1/2020	31,521	2.000%	8,326.77	39,847.77
9/1/2020	31,678	2.000%	8,169.17	39,847.17
12/1/2020	31,837	2.000%	8,010.78	39,847.78
3/1/2021	31,996	2.000%	7,851.59	39,847.59

BOND DEBT SERVICE

City of Huntington

Period Ending	Principal	Coupon	Interest	Debt Service
6/1/2021	32,156	2.000%	7,691.61	39,847.61
9/1/2021	32,317	2.000%	7,530.83	39,847.83
12/1/2021	32,478	2.000%	7,369.25	39,847.25
3/1/2022	32,641	2.000%	7,206.86	39,847.86
6/1/2022	32,804	2.000%	7,043.65	39,847.65
9/1/2022	32,968	2.000%	6,879.63	39,847.63
12/1/2022	33,133	2.000%	6,714.79	39,847.79
3/1/2023	33,298	2.000%	6,549.13	39,847.13
6/1/2023	33,465	2.000%	6,382.64	39,847.64
9/1/2023	33,632	2.000%	6,215.31	39,847.31
12/1/2023	33,800	2.000%	6,047.15	39,847.15
3/1/2024	33,969	2.000%	5,878.15	39,847.15
6/1/2024	34,139	2.000%	5,708.31	39,847.31
9/1/2024	34,310	2.000%	5,537.61	39,847.61
12/1/2024	34,481	2.000%	5,366.06	39,847.06
3/1/2025	34,654	2.000%	5,193.66	39,847.66
6/1/2025	34,827	2.000%	5,020.39	39,847.39
9/1/2025	35,001	2.000%	4,846.25	39,847.25
12/1/2025	35,176	2.000%	4,671.25	39,847.25
3/1/2026	35,352	2.000%	4,495.37	39,847.37
6/1/2026	35,529	2.000%	4,318.61	39,847.61
9/1/2026	35,707	2.000%	4,140.96	39,847.96
12/1/2026	35,885	2.000%	3,962.43	39,847.43
3/1/2027	36,064	2.000%	3,783.00	39,847.00
6/1/2027	36,245	2.000%	3,602.68	39,847.68
9/1/2027	36,426	2.000%	3,421.46	39,847.46
12/1/2027	36,608	2.000%	3,239.33	39,847.33
3/1/2028	36,791	2.000%	3,056.29	39,847.29
6/1/2028	36,975	2.000%	2,872.33	39,847.33
9/1/2028	37,160	2.000%	2,687.46	39,847.46
12/1/2028	37,346	2.000%	2,501.66	39,847.66
3/1/2029	37,533	2.000%	2,314.93	39,847.93
6/1/2029	37,720	2.000%	2,127.26	39,847.26
9/1/2029	37,909	2.000%	1,938.66	39,847.66
12/1/2029	38,098	2.000%	1,749.12	39,847.12
3/1/2030	38,289	2.000%	1,558.63	39,847.63
6/1/2030	38,480	2.000%	1,367.18	39,847.18
9/1/2030	38,673	2.000%	1,174.78	39,847.78
12/1/2030	38,866	2.000%	981.42	39,847.42
3/1/2031	39,060	2.000%	787.09	39,847.09
6/1/2031	39,256	2.000%	591.79	39,847.79
9/1/2031	39,452	2.000%	395.51	39,847.51
12/1/2031	39,649	2.000%	198.25	39,847.25 *
	2,622,055		**565,742.33**	**3,187,797.33**

* Plus a quarterly administrative fee of $3,535.89 for a total administrative expense of $282,871.20

(Form of)

ASSIGNMENT

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

_____

Authorized Officer

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
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Writer's Contact Information

November 10, 2010

The City of Huntington
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

The City of Huntington
Huntington, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to The City of Huntington (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its $2,622,055 Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) a Loan Agreement dated November 10, 2010, including all schedules and exhibits attached thereto (the "Loan Agreement"), among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are issued in the principal amount of $2,622,055, in the form of one bond, bearing interest at the rate of 2% per annum, registered as to principal and interest to the Authority, with principal of and interest on the Bonds payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning March 1, 2012, to and including December 1, 2031, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Series 2010 B Bonds are subject to the SRF Administrative Fee equal to 1% of the principal amount of the Series 2010 B Bonds as set forth in the Schedule Y attached to the Loan Agreement.

The Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond Ordinance duly enacted by the Issuer on September 28, 2009, as supplemented by the Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on December 28, 2009 and the Second Supplemental Resolution and Second Conformed Bond Ordinance duly adopted on October 25, 2010 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Legislation.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer and is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof.

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

3. The Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

4. The Bond Legislation and all other necessary ordinances and resolutions have been legally and effectively adopted or enacted by the Issuer and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's (i) Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895 (the "Series 1997 Bonds"); (ii) Sewer Revenue Bond, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550 (the "Series 1999 Bonds"); (iii) Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098 (the "Series 2000 Bonds"); (iv) Sewer Revenue Bonds, Series 2006 A, dated November 30, 2006, issued in the original aggregate principal amount of $3,150,000 (the "Series 2006 A Bonds); (v) Sewer Refunding Revenue Bonds, Series 2007, dated December 27, 2007, issued in the original aggregate principal amount of $5,500,000 (the "Series 2007 Bonds"); and (vi) Sewer Revenue Bonds, Series 2010 A (West Virginia SRF Program), dated January 12, 2010, issued in the original aggregate principal amount of $4,022,945 (the "Series 2010 A Bonds") (collectively, the "Prior Bonds"), all in accordance with the terms of the Bond Legislation.

6. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

7. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

No opinion is given herein as to the effect upon enforceability of the Bonds of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond numbered BR-1, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

STEPTOE & JOHNSON PLLC

435500.00027

5427393

Ronald J. Flora
ATTORNEY AT LAW
1115 SMITH STREET
MILTON, WEST VIRGINIA 25541

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Jennifer R. Smith / CLA
Lori R. Shirkey / Secretary

November 10, 2010

The City of Huntington
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

The City of Huntington
Huntington, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to The City of Huntington in Cabell County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement for the Series 2010 B Bonds, dated November 10, 2010, including all schedules and exhibits attached thereto, by and among the Issuer and the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Loan Agreement"), a Bond Ordinance duly enacted by the Issuer on September 28, 2009, as supplemented by a Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on December 28, 2009 and Second Supplemental Resolution and Second Conformed Bond Ordinance duly adopted on October 25, 2010 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, City Clerk and members of the council of the Issuer have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding agreements of the Issuer enforceable in accordance with its terms.

3. The Bond Legislation has been duly adopted and enacted by the Issuer and is in full force and effect.

4. The execution and delivery of the Bonds, the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Department of Environmental Protection and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges.

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

7. I have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that complies with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. I have also ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Prior to the execution of construction contracts by the Issuer, I will review the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, and verify that such surety bonds and policies: (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,

RONALD FLORA

435500.00027

LAW OFFICES

ROBERT R. RODECKER

BB&T SQUARE

300 SUMMERS STREET, SUITE 1230

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November 10, 2010

The City of Huntington
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

The City of Huntington
Huntington, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am special counsel to The Sanitary Board of the City of Huntington in Cabell County, West Virginia (the "Issuer"). As such counsel, I have represented the Issuer before the Public Service Commission of West Virginia in connection with the issuance of the above-referenced bonds, and the acquisition and construction of the Project. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that the Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision entered August 31, 2009, which became Final Order on September 20, 2009, Commission Order dated January 11, 2010 and Commission Order dated October 29, 2010 in Case No. 09-0880-S-SCN, among other things, approving the financing for the Project. Such Orders remain in full force and effect.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Sincerely,

Robert R. Rodecker

ROBERT R. RODECKER, ESQUIRE

435500.00027

Ronald J. Flora
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Jennifer R. Smith / CLA
Lori R. Shirkey / Secretary

September 30, 2010

Ms. Loretta Covington
Huntington Sanitary Board
1217 Adams Avenue
Huntington, West Virginia 25704

Mr. John L. Tingley
Clean Water State Revolving Fund
Division of Water & Waste Management
WV Department of Environmental Protection
601 57th Street SE
Charleston, West Virginia 25304

Mr. Edward A. Burdette, P.E.
Clean Water State Revolving Fund
Division of Water & Waste Management
WV Department of Environmental Protection
601 57th Street SE
Charleston, West Virginia 25304

Re: **Final** Title Opinion/Huntington Sanitary Board/Oak Street Ejector Station, Krauts Creek Ejector Station, 22nd Street West Ejector Station and Richmond Street Ejector Station
Public Service Commission Case No. 09-0880-S-SCN (Reopened)

Ladies and Gentlemen:

This firm represents the Huntington Sanitary Board with regard to the replacement of ejector pumps at the Krauts Creek, Oak Street, 22nd Street West and Richmond Street pump stations. This portion of the Project was designated as Part 2 in the initial filing with the West Virginia Public Service Commission of the above referenced Certificate Case which was filed on June 1, 2009. By Final Order dated September 20, 2009, the Public Service Commission

approved the Project, in particular Part 2, regarding the ejector stations.

Please be advised of the following:

1. That I am of the opinion that the Huntington Sanitary Board is a duly created and existing municipal board possessed with all of the powers and authorities granted to municipalities under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the DEP and the Public Service Commission of West Virginia.

2. The City of Huntington is vested with fee simple title to Krauts Creek, Oak Street, 22nd Street West and Richmond Street ejector stations (see attached Deeds).

3. I have investigated and ascertained the location of and am familiar with the sites, which sites currently are owned by the City of Huntington which through its Sanitary Board has operated and maintained the collection systems within the City of Huntington since the creation of the Sanitary Board.

4. Based upon the location of the proposed Project, in my opinion, the Issuer has legal title to the pump stations in fee simple. Therefore, it is my opinion that the City has legal title to all property and easements necessary for the construction of the Project and operation of the System.

Very Truly Yours,

Ronald J. Flora (WVSB#1227)
Attorney at Law

RJF/js
Enclosures
cc: Huntington Sanitary Board

(DEED

CITY OF HUNTINGTON,
A MUNICIPAL CORPORATION

THIS DEED, Made this 8th day of September, 1941, by and between HENRY FACKLER, single, party of the first part, and the CITY OF HUNTINGTON, a municipal corporation, in the state of West Virginia, party of the second part.

TO
Wilbert H. Norton

WITNESSETH: THAT for and in consideration of the sum of one ($1.00), Dollar, cash in hand paid, the receipt and sufficiency of which is hereby acknowledged, and the said Henry Fackler doth bargain, sell, grant and convey unto the city of Huntington, a municipal corporation, in the State of West Virginia, all his right, title and interest in and to all that certain piece or parcel of land situate, lying and being in the Town of Guyandott now in the city of Huntington, Cabell County, West Virginia, on Main Street, being all of the real estate conveye unto Susie E. Clark by C. C. Dusenberry and others by deed dated March 22, 1906, of record in the office of the Clerk of the county court of Cabell County, West Virginia, in Deed Book No. 83, at page 52, excepting from said tract of land that part thereof which was devised by the said Susie E. Clark to Edward R. Clark, Anna Fackler and Maud M. Clark, by will provated in said Clerk's office on July 3, 1931, and which parcel is now owned by the said Edward R. Clark and is described as the northerly 100 feet of the parcel of land conveyed unto Susie E. Clar as aforesaid, it being understood and agreed that the interest hereby conveyed is the interest of Henry Fackler in and to the remainder of said tract of land described in said deed after taking therefrom that part thereof which is now owned by Edward R. Clark as aforesaid.

And the said Henry Fackler doth covenant that he will warrant specially the title to the real estate here by conveyed.

WITNESS the following signature and seal:

Henry Fackler (SEAL)

STATE OF INDIANA,

COUNTY OF DEARBORN, TO WIT:

I, Elmore E. Campbell, a Notary Public in and for the county and state aforesaid, do hereby certify that Henry Fackler, single, whose name is signed to the foregoing writing bearing date September 8, 1941, has this day acknowledged the same before me in my said county.

Given under my hand and notarial seal this 20 day of September, 1941.

My commission expires MY COMMISSION EXPIRES AUG 29, 1944.

Elmore E. Campbell, Notary Public.

(Notarial Seal, Indiana)

STATE OF WEST VIRGINIA,

CABELL COUNTY COURT CLERK'S OFFICE, OCT 24, 1941, at 2:01 P. M.

The foregoing writing was this day presented to me, the Clerk of said Court, and the same, together with the certificate of acknowledgment thereon endorsed, is duly admitted to record.

TESTE: F. A. Ware CLERK, C.C.C

BY R. S. Dawkins DEPUTY

HARRY L. CLARK, WIDOWER & ALS.

TO (DEED

THE CITY OF HUNTINGTON,
A MUNICIPAL CORPORATION

TO
W.H. Norton

THIS DEED, Made this the 22nd day of October, 1941, by and between HARRY L. CLARK, widower, JESSIE CLARK widow, GEORGE W. McMAHON AND BESSIE McMAHON, his wife, EDWIN M. YATES, AND GWENDOLYN YATES, his wife, EDWARD R. CLARK AND FANNIE CLARK, his wife, by G. R. MAYS, their Attorney-in-Fact, parties of the first part, and THE CI OF HUNTINGTON, a municipal corporation, party of the second part.

WITNESSETH: That for and in consideration of the sum of TWENTY-SIX HUNDRED AND FIFTY DOLLARS ($2650.00

DB 323-402

[redacted]RT, (WIDOW) }
[redacted]HE CITY OF HUNTINGTON. } DEED. 201/285

MAILED TO [illegible] Huntington W.Va. July [illegible] 1940

THIS DEED, made and entered into this twenty-eighth day of June, 1940, by and between MABEL JARRETT (widow), party of the first part, and THE CITY OF HUNTINGTON, a municipal corporation, of the State of West Virginia, party of the second part.

WITNESSETH, that for and in consideration of the sum of one dollar ($1.00), and other good and valuable considerations, cash in hand paid, the receipt of which is hereby acknowledged, the party of the first part does bargain, sell, grant and convey unto the party of the second part, with covenants of general warranty, all those certain lots, pieces or parcels of ground, situate in that part of the City of Huntington, Wayne County, West Virginia, formerly known as Ceredo District, and known and designated on a map entitled " Hale and Taylor Subdivision of the Country Club Addition, Wayne County, West Virginia," made by Joseph N. Doyle, Engineer, June 9, 1921, and recorded in the office of the clerk of the county court of said Wayne County, West Virginia, on the 17th day of June, 1921, in Map Book 1, at page 5, as Lots Numbers Eighty (80), Eighty-one (81) and Eighty-two (82).

Hfg Ind.

And being the same property conveyed to the said party of the first part by W. J. Cox and wife by deed dated April 16, 1926, and of record in the aforesaid clerk's office in deed book 146, page 157.

WITNESS the following signature and seal.

Mabel Jarrett. (SEAL)

STATE OF WEST VIRGINIA }
COUNTY OF CABELL } To-wit:

Revenue Stamps $1.60

I, M. L. Burnett, a Notary Public in and for the county and state aforesaid, do certify that MABEL JARRETT (widow), whose name is signed to the writing above, bearing date the 28th day of June, 1940, has this day acknowledged the same before me in my said county.

GIVEN under my hand this 28th day of June, 1940.

My commission expires June 23, 1942.

M. L. Burnett.
NOTARY PUBLIC.

STATE OF WEST VIRGINIA,
WAYNE COUNTY COURT CLERK'S OFFICE, S. S.

THIS DAY theforegoing DEED was presented at my Office, and the same together with the certificate of acknowledgment thereon, was duly admitted to record, at 10:00 A.M.

Given under my hand this 29th day of June, 1940.

J. H. Lambert CLERK.

THIS DEED, made and entered into this 15th day of June, 1961, by and between Bruce Wellman and Virginia Gay Wellman, his wife, and Don Wellman and Ruth Wellman, his wife, parties of the first part, and The City of Huntington, Cabell and Wayne Counties, West Virginia, a municipal corporation, party of the second part:

WITNESSETH: That for and in consideration of the sum of One Dollar ($1.00), cash in hand paid, the receipt of which is hereby acknowledged, and other good and valuable consideration, the receipt and sufficiency of which is hereby likewise acknowledged, the said parties of the first part do grant and convey unto the said party of the second part those certain lots, pieces or parcels of ground, situate, lying and being in Cabell County, West Virginia, and more particularly bounded and described as follows, to-wit:

Beginning at a point at the northwest corner of Lot No. 1 as shown on the map of Shaw's Sub-Division of Lots One (1) to Fourteen (14) inclusive of part of Parcel "C" Clemens Park Addition to Huntington, West Virginia, a copy of said map being of record in the office of the County Clerk of Cabell County, West Virginia, in Map Book 4 at Page 101, said point being in the east line of a 15 foot public alley, said point being also N.13° 39' 30"W. 105.06 feet from the north line of Virginia Avenue, thence N.65° 49' E. 50.0 feet to a point, thence S.13° 39' 30"E. 44 feet to a point, thence S.65° 49'W. 50.0 feet to a point in the east line of the said 15 foot public alley, thence with the said east line of the 15 foot public alley, N. 13° 39' 30"W. 44.0 feet to the Beginning and being a part of Lots 1 and 2 of said Shaw's Sub-Division of Lots 1 to 14 inclusive of part of Parcel "C" of Clemens Park Addition, to Huntington, West Virginia.

and being the same property that was conveyed to Bruce Wellman

DECLARATION OF CONSIDERATION OR VALUE

Under penalties of fine and imprisonment as provided by law, I hereby declare that the document to which this declaration is appended is not subject to the taxes imposed by section [illegible] article [illegible] chapter [illegible] of the Code and [illegible] the property conveyed by the document is [illegible]

The undersigned do hereby declare that the transfer covered in the document to which this declaration is appended is not subject to the state excise tax upon the privilege of transferring real estate for the reason designated in the following: Conveyance to a political subdivision of the State of West Virginia--exempt under W. Va. Code 11-21-1

Given under my hand this 15th day of June, 1961

Signature

By: [illegible] City Manager

Indicate whether grantor, grantee, or other interest in conveyance

Address

Form approved by State Tax Commissioner

and Don Wellman, by May Lycan, by deed dated February 8, 1955, and recorded in the aforesaid Clerk's Office in Deed Book No. 500 at Page 499.

And the said parties of the first part do hereby WARRANT GENERALLY the title to the property conveyed, except as to the 1961 taxes.

WITNESS the following signatures and seals.

_____ (SEAL)
Bruce Wellman

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Virginia Gay Wellman

_____ (SEAL)
Don Wellman

_____ (SEAL)

_____ (SEAL)
Ruth Wellman

STATE OF WEST VIRGINIA

COUNTY OF CABELL, to-wit:

I, _____, a Notary Public in and for the County and State aforesaid, do hereby certify that Bruce Wellman and Virginia Gay Wellman, his wife, and Don Wellman and Ruth Wellman, his wife, whose names are signed to the foregoing writing bearing date the 17th day of June, 1961, have each this day acknowledged the same before me in my said County and State.

Given under my hand this 17th day of June, 1961.

My commission expires _____.

_____
Notary Public

WEST VIRGINIA, CABELL COUNTY CLERK'S OFFICE JUN 28 1961

TESTE: _____ CLERK, CABELL COUNTY COURT.

MAR 2 - 1962

BOOK 592 PAGE 346

F.S. 495
S.S. 990

Htgn. Sanitary Bd. P.O. Box 1659 City

THIS DEED, made this 21st day of February, 1962, by and between SARAH J. SEDINGER, a widow, party of the first part, and THE CITY OF HUNTINGTON, HUNTINGTON, WEST VIRGINIA, a municipal corporation, party of the second part.

WITNESSETH: That, for and in consideration of the sum of Four Thousand Two Hundred Fifty Dollars ($4,250.00), cash in hand paid, the receipt and sufficiency of all of which is hereby acknowledged, the party of the first part does hereby grant and convey unto the party of the second part the following described real property, to-wit:

Beginning at an iron pin in the west line of Richmond Street, said iron pin being N. 10° 22' E. 167 feet from the intersection of the north line of Third Avenue with the west line of said Richmond Street, thence leaving the said west line of Richmond Street and parallel to the north line of said Third Avenue, N. 79° 30' W. 40 feet to a point; thence parallel to the said west line of Richmond Street N. 10° 22' E. 40 feet to a point in the south line of a 20.5 ft. public alley; thence with the south line of the said 20.5 ft. public alley and parallel to the north line of Third Avenue, S. 79° 30' E. 40 feet to an iron pin in the west line of Richmond Street; thence with the west line of said Richmond Street, S. 10° 22' W. 40 feet to the Beginning, containing 1600 square feet and being a part of Lot No. 9 of the Original Town of Guyandotte.

Being a part of the same property conveyed to the party of the first part herein by William H. Reiton et ux, by deed dated July 26, 1943, and of record in the Office of the Clerk of the County Court of Cabell County, West Virginia, in Deed Book 335 at page 428, and by Lahoma Sedinger Miller et vir, by deed dated October 28, 1953, and of record in the aforesaid Clerk's Office in Deed Book 481 at Page 333.

Together with all the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

This conveyance is made subject to any and all covenants, restrictions and easements as the same may appear in instruments of record in the aforesaid Clerk's Office.

For the above stated consideration, the said party of the first part does also hereby grant and convey unto the party of the second part a temporary or construction easement and right of way, for the construction of a sewage pumping station and the necessary appurtenances thereunto, upon the above described real property, which said temporary or construction easement is as follows, to-wit:

Beginning at an iron pin in the south line of a 20.5 ft. public alley, said iron pin being located N. 79° 30' W. 107 feet west of the west line of Richmond Street, thence with the south line of said 20.5 ft. public alley S. 79° 30' E. 67 feet to a point; thence leaving said south line of said 20.5 ft. public alley and parallel to the west line of said Richmond Street S. 10° 22' W. 40 feet to a point; thence parallel to the north line of Third Avenue, N. 79° 30' W. 67 feet to an iron pin; thence parallel to the west line of said Richmond Street N. 10° 22' E. 40 feet to the Beginning, containing 2680 square feet and being a part of Lot No. 9 of Original Town of Guyandotte.

It is understood and agreed that, upon completion of the construction of said sewage pumping station and the necessary appurtenances thereto, the temporary or construction easement herein granted shall be terminated and of no further force and effect. It is further understood and agreed that the temporary or construction easement herein granted shall not be construed as giving any other right or use of said temporary easement area than for the construction of said sewage pumping station and necessary appurtenances thereto, as herein set forth.

And the said party of the first part covenants to and with the said party of the second part that she will WARRANT GENERALLY the title to the property and easement hereby conveyed.

Under penalties of fine and imprisonment as provided by law, the grantor does hereby declare that the total consideration paid for the property and easement conveyed by this document is $4,250.00.

WITNESS the following signature and seal.

Sarah J. Sedinger (SEAL)
Sarah J. Sedinger

STATE OF WEST VIRGINIA,
COUNTY OF CABELL, TO WIT:

I, [illegible], a Notary Public within and for the County and State aforesaid, do hereby certify that Sarah J. Sedinger, a widow, whose name is signed to the foregoing and hereto annexed writing, bearing date the 21st day of [illegible], 1962, has this day personally acknowledged the same before me in my said County.

Given under my hand this 21st day of February, 1962.

My commission expires [illegible], 1970.

Tom T. Baker
Notary Public

WEST VIRGINIA, CABELL COUNTY CLERK'S OFFICE MAR 1 1962
This instrument was this day presented in my office, and thereupon, together with the certificate thereto annexed, is admitted to record.
TESTE: [illegible] CLERK, CABELL COUNTY COURT.

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
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4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
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We, the undersigned MAYOR and CITY CLERK of The City of Huntington in Cabell County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER hereby certifies on this 10th day of November, 2010 in connection with the Issuer's Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated the date hereof (the "Series 2010 B Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted September 28, 2009, the Supplemental Resolution and Conformed Ordinance duly adopted December 28, 2009, and the Second Supplemental Resolution and Second Conformed Bond Ordinance duly adopted on October 25, 2010 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Series

2010 B Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues or any grants, or in any way contesting or affecting the validity of the Series 2010 B Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Series 2010 B Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Series 2010 B Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Series 2010 B Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Net Revenues or the pledge of Net Revenues as security for the Series 2010 B Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System and the issuance of the Series 2010 B Bonds have been obtained and remain in full force and effect, and competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement and the Issuer has met all conditions prescribed in the Loan Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2010 B Bonds as to liens, pledge, source of and security for payment, being the Issuer's (i) Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895 (the "Series 1997 Bonds"); (ii) Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550 (the "Series 1999 Bonds"); (iii) Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098 (the "Series 2000 Bonds"); (iv) Sewer Revenue Bonds, Series 2006 A, dated November 30, 2006, issued in the original aggregate principal amount of $3,150,000 (the "Series 2006 A Bonds"); (v) Sewer Refunding Revenue Bonds, Series 2007, dated December 27, 2007, issued in the original aggregate principal amount of $5,500,000 (the "Series 2007 Bonds"); and (vi) Sewer Revenue Bonds, Series 2010 A (West Virginia SRF Program), dated January 12, 2010, issued in the original aggregate principal amount of $4,022,945 (the "Series 2010 A Bonds") (collectively, the "Prior Bonds"). The Issuer is current on all Prior Bonds' payments and is in compliance with all covenants and requirements of the Prior Ordinance.

The Series 2010 B Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge, source of and security for payment and in all other respects. The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of certain of the Holders of the Series 1997 Bonds, Series 1999 Bonds, Series 2000 Bonds and Series 2010 A Bonds to the issuance of the Series 2010 B Bonds on a parity with the Prior Bonds. The Series 2006 A Bonds and Series 2007 Bonds do not require

consent. Other than the Prior Bonds, there are no other bonds, notes or other obligations of the Issuer which are secured by revenues or assets of the System.

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended or changed in any way unless modification appears from later documents also listed below:

Bond Ordinance

Supplemental Resolution

Conformed Bond Ordinance

Second Supplemental Resolution

Loan Agreement for Series 2010 B Bonds

Public Service Commission Orders

Infrastructure Council Approval

City Charter

Ordinance Creating Sanitary Board

Petition of Sanitary Board

Oaths of Office of Officers and Councilmembers

Resolution on Open Governmental Proceedings Rules

Sewer Rate Ordinance

Minutes on Enactment of Sewer Rate Ordinance and Notice of Public Hearing

Affidavit of Publication of Sewer Rate Ordinance and Notice of Public Hearing

Minutes on Enactment of Bond Ordinance and Adoption of Supplemental Resolution and Rules of Procedure

Affidavit of Publication of Abstract of Bond Ordinance and Notice of Public Hearing

Minutes on Adoption of Second Supplemental Resolution

Prior Bond Ordinance and Supplemental Resolution

Consent of WDA to Issuance of Parity Bonds

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of Huntington". The Issuer is a municipal corporation in Cabell County and is presently existing under the laws of, and is a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council, consisting of a Mayor, City Clerk and eleven (11) councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name		Date of Commencement of Office	Date of Termination of Office
Kim Wolfe	- Mayor	01/01/09	12/31/2012
Rebecca Thacker	- Councilmember	01/01/09	12/31/2012
Teresa Loudermilk	- Councilmember	01/01/09	12/31/2012
Frances Jackson	- Councilmember	01/01/09	12/31/2012
Nate Randolph	- Councilmember	01/01/09	12/31/2012
Jim Insco	- Councilmember	01/01/09	12/31/2012
James Ritter	- Councilmember	01/01/09	12/31/2012
Sandra Clements	- Councilmember	01/01/09	12/31/2012
Mark Bates	- Councilmember	01/01/09	12/31/2012
Scott Caserta	- Councilmember	01/01/09	12/31/2012
Russell Houck	- Councilmember	01/01/09	12/31/2012
Steve Williams	- Councilmember	01/01/09	12/31/2012

The names of the duly appointed, qualified and acting members of the Sanitary Board of the Issuer are as follows:

Chairman	-	Kim Wolfe
Member	-	Jim Ashworth, P.E.
Member	-	Jack Klim

The duly appointed and acting City Clerk of the Issuer is Barbara Nelson. The duly appointed and acting Counsel to the Issuer is Ronald Flora, Milton West Virginia and the duly appointed Special PSC Counsel is Robert Rodecker, Esquire, Charleston, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or will be acquired by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes.

The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Series 2010 B Bonds.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Series 2010 B Bonds and the acquisition, construction, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code. Prior to the execution of construction contracts by the Issuer, all insurance for the System required by the Bond Legislation will be in full force and effect.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

11. INSURANCE. The Issuer will maintain or, as appropriate, will require all contractors to maintain worker's compensation, public liability, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Bond Legislation and the Loan Agreement. All insurance for the System required by the Bond Legislation and the Loan Agreement are in full force and effect.

12. VERIFICATION OF SCHEULE: The final Schedule B attached to the Certificate of Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the Bonds.

13. RATES: The Issuer has duly enacted a sewer rate ordinance on June 9, 2009, setting rates and charges of the System. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal and such rates are currently in full force and effect.

14. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Series 2010 B Bonds of the aforesaid issue, consisting upon original issuance of a single Bond of each series, dated the date hereof, by his or her manual signature, and the undersigned City Clerk did officially cause the official seal of the Issuer to be affixed upon said Series 2010 B Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Series 2010 B Bonds to a representative of the Authority as the original purchaser of the Series 2010 B Bonds under the Loan Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

15. BOND PROCEEDS: On the date hereof, the Issuer received $131,103 from the Authority and the DEP, being a portion of the principal amount of the Series 2010 B Bonds. The balance of the principal amount of the Series 2010 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in *The Herald Dispatch,* a qualified newspaper of general circulation in The City of Huntington, no newspaper being published therein, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Series 2010 B Bonds described in such Bond Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 28th day of September, 2009, at 7:30 p.m., at City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the City Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

17. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision entered on August 31, 2009 which became Final Order on September 20, 2009, Commission Order dated January 11, 2010 and Commission Order dated October 29, 2010 in Case No. 09-0880-S-SCN, among other things, approving the financing for the Project. Such Orders remain in full force and effect.

18. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Series 2010 B Bonds.

19. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Series 2010 B Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this

paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

20. CLEAN WATER ACT: The Project described in the Bond Legislation complies with the Clean Water Act.

21. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

22. EXECUTION OF COUNTERPARTS: This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

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WITNESS our signatures and the official seal of THE CITY OF HUNTINGTON on this the day and year first above written.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
Barbara Nelson	City Clerk
_____	Counsel to Issuer
_____	Special PSC Counsel (Paragraph 17)

10.12.10
435500.00027

WITNESS our signatures and the official seal of THE CITY OF HUNTINGTON on this the day and year first above written.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
_____	City Clerk
_____	Counsel to Issuer
Robert R. Rodecker	Special PSC Counsel (Paragraph 17)

10.12.10
435500.00027

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

CERTIFICATE AS TO ARBITRAGE FOR SERIES 2010 B BONDS

The undersigned Mayor of The City of Huntington in Cabell County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $2,622,055 aggregate principal amount of Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), of the Issuer, dated November 10, 2010 (the "Bonds" or the "Series 2010 B Bonds"), hereby certify this 10th day of November, 2010 as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"). I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance duly enacted by the Issuer on September 28, 2009, as supplemented by Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on December 28, 2009 and Second Supplemental Resolution and Second Conformed Bond Ordinance duly adopted by the Issuer on October 25, 2010 (collectively, the "Bond Legislation"), authorizing the Bonds.

2. This certificate may be relied upon as the certificate of the Issuer.

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer that may not certify its bonds or the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on November 10, 2010, the date on which the Bonds are to be physically delivered in exchange for more than a de minimus amount of the principal of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. In the Bond Legislation pursuant to which the Bonds are issued, the Issuer has covenanted that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Bonds) so that the

interest on the 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. The Issuer has, therefore, covenanted to not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Sections 103 and 148 of the Code.

6. The Series 2010 B Bonds were sold on November 10, 2010, to the West Virginia Water Development Authority (the "Authority") pursuant to a loan agreement dated November 10, 2010, by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), for an aggregate purchase price of $2,622,055 (100% of par value), at which time, the Issuer received $131,103 from the Authority and the DEP. The balance of the principal amount of the Series 2010 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

7. The Series 2010 B Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) paying costs of issuance of the Bonds and related costs.

8. The Issuer shall, on the date hereof or immediately hereafter, enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds for the acquisition and construction of the Project, constituting a substantial binding commitment, or has already done so. Acquisition, construction and equipping of the Project and allocation of the net sale proceeds of the Bonds to expenditures of the Project will commence immediately and will proceed with due diligence to completion, and, with the exception of proceeds constituting capitalized interest, if any, and proceeds deposited in the reserve account for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before January 1, 2012, except as otherwise required for rebate to the United States under Section 148(f) of the Code. Acquisition and construction of the Project is expected to be completed by July 1, 2011.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at $2,622,055. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of the Series 2010 B Bonds	$ 2,622,055
Total Sources	$ 2,622,055

USES

Acquisition and Construction of Project	$ 2,596,055
Costs of Issuance	$ 25,500
Total Uses	$ 2,622,055

Except for the proceeds of the Bonds, no other funds of the Issuer will be available to meet costs of the Project, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Bonds does not exceed 120% of the average expected economic life of the Project, and (iii) there are no amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

10. Pursuant to Article V of the Bond Legislation, the following special funds or accounts have been created or continued:

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

(2) Renewal and Replacement Fund (established by the Prior Ordinances);

(3) Rebate Fund (established by the Prior Ordinances);

(4) Series 2010 B Bonds Construction Trust Fund;

(5) Series 2010 B Bonds Sinking Fund; and

(6) Series 2010 B Bonds Reserve Account.

11. Pursuant to Article VI of the Bond Legislation, the proceeds of the Bonds will be deposited as follows:

A. From the proceeds of the Series 2010 B Bonds, there shall first be deposited with the Commission in the Series 2010 B Bonds Sinking Fund, the amount, if any, set forth in the Second Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2010 B Bonds for the period commencing on the date of issuance of the Series 2010 B Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. From the proceeds of the Series 2010 B Bonds, there shall be deposited with the Commission in the Series 2010 B Bonds Reserve Account, the amount, if any, set forth in the Second Supplemental Resolution for funding of the Series 2010 B Bonds Reserve Account.

C. As the Issuer receives advances of the derived from the sale of the Series 2010 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2010 B Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner as set forth in the Bond Legislation.

Amounts in the Series 2010 B Bonds Construction Trust Fund, if invested, will be invested without yield limitation for a period necessary to complete the Project, not to exceed 3 years. All of such monies are necessary for such purpose.

12. Monies held in the Series 2010 B Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2010 B Bonds, and will not be available to meet costs of acquisition and construction of the Project. Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on monies in the Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account will be withdrawn therefrom, not less than once each year, and, during construction of the Project, deposited into the Series 2010 B Bonds Construction Trust Fund, and following completion of construction of the Project, will be deposited in the Revenue Fund, and such amounts will be applied as set forth in the Bond Legislation.

13. Except for the Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Series 2010 B Bonds, or which are pledged as collateral for the Series 2010 B Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Series 2010 B Bonds, if the Issuer encounters financial difficulties. The Issuer does not expect that monies in the Renewal and Replacement Fund will be used or needed for payments upon the Series 2010 B Bonds, and because such amounts may be expended for other purposes, there is no reasonable assurance that such amounts would be available to meet debt service if the Issuer encounters financial difficulties; thus, such amounts may be invested without yield limitation. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved desegregation plan or other investment property producing a yield in excess of the yield on the Series 2010 B Bonds, have been or will be pledged to payment of the Series 2010 B Bonds. Less than 10% of the proceeds of the Series 2010 B Bonds, if any, will be deposited in the Series 2010 B Bonds Reserve Account and or any other reserve or replacement fund. The amounts deposited in the Series 2010 B Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal and interest on the Series 2010 B Bonds, and will not exceed 125% of average annual principal and interest on the Series 2010 B Bonds. Amounts in the Series 2010 B Bonds Reserve Account, not to exceed 10% of the proceeds of the Series 2010 B Bonds, if invested, will be invested without yield limitation. The establishment of the Series 2010 B Bonds Reserve Account is required by the Authority, is vital to its purchase of the Series 2010 B Bonds, and is reasonably required to assure payments of debt service on the Series 2010 B Bonds.

14. The Issuer shall, on the date hereof or immediately hereafter, enter into a contract for the construction of the Project, and the amount to be expended pursuant to such contract exceeds 5% of the net sale proceeds of the Bonds.

15. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. Acquisition and construction of the Project is expected to be completed within 7 months.

16. The Issuer will comply with the provisions of the Code, for which the effective date precedes the date of delivery of its Bonds to the Authority.

17. With the exception of the amount deposited in the Series 2010 B Bonds Sinking Fund for payment of interest on the Bonds, if any, and amounts deposited in the Series 2010 B Bonds Reserve

Account, if any, all of the proceeds of the Bonds will be expended on the Project within 13 months from the date of issuance thereof.

18. The Series 2010 B Bonds Sinking Fund (other than the Series 2010 B Bonds Reserve Account therein) is intended primarily to achieve a proper matching of payments of debt service on the Series 2010 B Bonds each year. The Series 2010 B Bonds Sinking Fund (other than the Series 2010 B Bonds Reserve Account therein) will be depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1/12th of annual debt service on the Series 2010 B Bonds, or 1 year's interest earnings on the Series 2010 B Bonds Sinking Fund (other than the Series 2010 B Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 2010 B Bonds Sinking Fund for payment of the principal of or interest on the Series 2010 B Bonds (other than the Series 2010 B Bonds Reserve Account therein), will be spent within a 13-month period beginning on the date of receipt and will be invested without yield limitation, and any monies received from the investment of amounts held in the Series 2010 B Bonds Sinking Fund (other than in the Series 2010 B Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

19. All proceeds of the Bonds which will be used for the payment of costs of the Project will be expended for such purposes within three years of November 10, 2010.

20. The amount designated as cost of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

21. All property financed with the proceeds of the Bonds will be held for federal income tax purposes by (or on behalf of) a qualified governmental unit.

22. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Ogden, Utah 84201.

23. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than 5% of the proceeds of Bonds or $5,000,000 have been or will be used to make or finance loans to, any person who is not a governmental unit.

24. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue, except to the extent any such proceeds are required for rebate to the United States.

25. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

26. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and the Treasury Regulations promulgated or to be promulgated thereunder in order to assure that the interest on the Bonds is excluded from gross income for federal income tax purposes.

27. The Bonds are not, and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

28. The Issuer will rebate to the United States the amount, if any, required by the Code and take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount and 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.

29. The Issuer has retained the right to amend the Bond Legislation authorizing the issuance of the Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Bonds from the gross income for federal income tax purposes of interest on the Bonds.

30. The Issuer shall comply with the yield restriction on Bond proceeds as set forth in the Code.

31. The Issuer has either (a) funded the Series 2010 B Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Series 2010 B Bonds in the then current or any succeeding year with the proceeds of the Series 2010 B Bonds, or (b) created the Series 2010 B Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10 year period until such Series 2010 B Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Series 2010 B Bonds in the then current or any succeeding year. Monies in the Series 2010 B Bonds Reserve Account and the Series 2010 B Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2010 B Bonds and will not be available to pay costs of the Project.

32. The Issuer shall submit to the Authority within 15 days following the end of each bond year a certified copy of its rebate calculation and a certificate with respect thereto or, if the Issuer qualifies for the small governmental issuer exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate.

33. The Issuer expects that no part of the Project financed by the Bonds will be sold or otherwise disposed of prior to the last maturity date of the Bonds.

34. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds and the interest thereon. In addition, the Issuer has covenanted to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and has covenanted to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Resolutions authorizing issuance of the Bonds.

The Issuer has further covenanted to calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum

determined to be subject to rebate to the United States, which 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. The Issuer has further covenanted to 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. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor.

35. The Bonds are each a fixed yield issue. No interest or other amount payable on the Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

36. None of the Bonds has a yield-to-maturity more than one-fourth of one percent higher than the yield on the Bond determined by assuming the Bond is retired on the date that when used in computing the yield on the Bond produces the lowest yield.

37. No portion of the proceeds of the Bonds will be used, directly or indirectly, to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

38. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

39. Except for a reasonable temporary period until such proceeds are needed for the purpose for which such issue was issued or as otherwise allowed, no portion of the proceeds of the Bonds will be used, directly or indirectly, to acquire higher yielding investments, or to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

40. The transaction contemplated herein does not represent an exploitation of the difference between taxable and tax-exempt interest rates and the execution and delivery of the Bonds is not occurring sooner than otherwise necessary, nor are the Bonds in principal amounts greater than otherwise necessary or to be outstanding longer than otherwise necessary.

41. On the basis of the foregoing, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

42. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

43. Steptoe & Johnson PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bonds.

44. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

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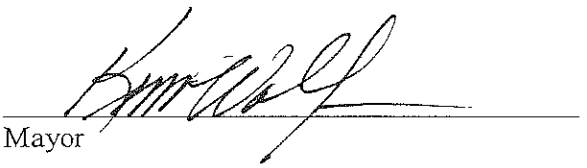
WITNESS my signature on this 10th day of November, 2010.

THE CITY OF HUNTINGTON



Mayor

10.12.10
435500.00027

5427013

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, Patrick Taylor, Registered Professional Engineer, West Virginia License No. 012363, of Potesta & Associates, Inc., Charleston, West Virginia, hereby certify this 10th day of November, 2010 as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the sewerage system (the "System") of The City of Huntington (the "Issuer"), to be constructed in Cabell County, West Virginia, which acquisition and construction are being permanently financed in part by the proceeds of the above-captioned bonds (collectively, the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on September 28, 2009, as supplemented by the Supplemental Resolution and Conformed Bond Ordinance of the Issuer adopted December 28, 2009 and Second Supplemental Resolution and Second Conformed Bond Ordinance adopted on October 25, 2010 (collectively, the "Bond Legislation"), the Loan Agreement for the Series 2010 B Bonds by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), dated November 10, 2010 (the "Loan Agreement").

2. The Bonds are being issued (i) to pay the costs of acquisition and construction of the Project; and (ii) to pay certain costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and the Authority and any change orders approved by the Issuer, the Authority, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 22 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and Ronald Flora, counsel to the Issuer, will ascertain that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds will be verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (vi) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms

provided to the bidders contain the critical operational components of the Project; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (x) in reliance upon the certificate of the Issuer's certified public accountant, Griffith & Associates, of even date herewith, as of the effective date thereof, the rates and charges for the System as enacted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (xi) the net proceeds of the Bonds, together with all other monies on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve no new customers.

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WITNESS my signature and seal on the day and year first written above.

POTESTA & ASSOCIATES, INC.

Patrick Taylor, P.E.
West Virginia License No. 012363

07.06.10
435500.00027

SCHEDULE B

City of Huntington

10/8/2010

A. Cost of Project	13th & 19th Street Sewer Rehab	Pum Station Rehab (4 stations)	Total	SRF Loan (3%, 20 years)
1. Construction				
a. Contract (13th/19th St Line rehab)	876,348.00	0.00	876,348.00	876,348.00
b. Contract (Pump Sta. Rehab)	0.00	1,329,000.00	1,329,000.00	1,329,000.00
2. Technical Services				
a. Planning	0.00	0.00	0.00	0.00
b. Design	42,918.00	67,400.00	110,318.00	110,318.00
c. Eng. During Const.	24,941.00	24,947.00	49,888.00	49,888.00
d. Special Services - Asbestos Study	0.00	1,500.00	1,500.00	1,500.00
e. Inspection Services	0.00	0.00	0.00	0.00
3 Legal				
Legal - Local / Title	10,000.00	0.00	10,000.00	10,000.00
Legal - PSC	27,500.00	0.00	27,500.00	27,500.00
4 Accounting	25,000.00	0.00	25,000.00	25,000.00
5 Sites & Lands	0.00	0.00	0.00	0.00
6 Interim Financing	0.00	0.00	0.00	0.00
7 Contingency (Construction) 7.5%	65,726.00	99,675.00	165,401.00	165,401.00
9 Miscellaneous (permits, ads, etc)	1,600.00	0.00	1,600.00	1,600.00
10. TOTAL Lines 1 through 9	1,074,033.00	1,522,522.00	2,596,555.00	2,596,555.00
B. Cost of Financing				
11. Registrar Fee	500.00	0.00	500.00	500.00
12. Debt Reserve		0.00	0.00	0.00
13. Bond Counsel (Steptoe & Johnson)	25,000.00	0.00	25,000.00	25,000.00
14. Cost of Issuance (Lines 11 through Line 13)	25,500.00	0.00	25,500.00	25,500.00
15. TOTAL COST OF PROJECT (Line 10 + Line 14)	**1,099,533.00**	**1,522,522.00**	**2,622,055.00**	**2,622,055.00**
C. Sources of Funds				
16. Federal Grants	0.00	0.00	0.00	0.00
17. State Grants	0.00	0.00	0.00	0.00
18. Other Grants (City)	0.00	0.00	0.00	0.00
19. TOTAL GRANTS	0.00	0.00	0.00	0.00
20. SIZE OF BOND ISSUE (Line 15 minus Line 19)	**1,099,533.00**	**1,522,522.00**	**2,622,055.00**	**2,622,055.00**

City of Huntington — Date 10-25-10

Potesta — Date 10/28/10

November 10, 2010

The City of Huntington
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

The City of Huntington
Huntington, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

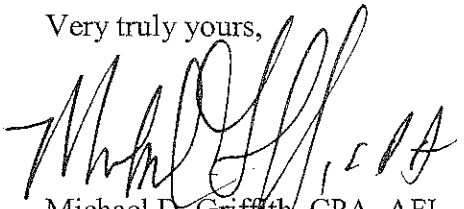
Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance of The City of Huntington (the "Issuer"), enacted June 6, 2009 and projected operation and maintenance expenses and anticipated customer usage as furnished to us by the Issuer, the Consulting Engineer to the Issuer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 120% of the maximum amount required in any year for debt service on the Issuer's Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program) in the original aggregate principal amount of $2,622,055 (the "Bonds"), and all other obligations secured by a lien on or payable from such revenues, including the Issuer's (i) Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895 (the "Series 1997 Bonds"); (ii) Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550, (the "Series 1999 Bonds"); (iii) Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098 (the "Series 2000 Bonds"); (iv) Sewer Revenue Bonds, Series 2006 A, dated November 30, 2006, issued in the original aggregate principal amount of $3,150,000 (the "Series 2006 A Bonds"); (v) Sewer Refunding Revenue Bonds, Series 2007, dated December 27, 2007, issued in the original aggregate principal amount of $5,500,000 (the "Series 2007 Bonds"); and (vi) Sewer Revenue Bonds, Series 2010 A (West Virginia SRF Program), dated January 12, 2010, issued in the original aggregate principal amount of $4,022,945 (the "Series 2010 A Bonds") (collectively, the "Prior Bonds").

Michael D. Griffith, CPA, AFI
mgriffith@gcorpwv.com
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

It is further our opinion that (i) the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Bonds, are not less than 120% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Bonds and the Prior Bonds and (ii) the Net Revenues actually derived from the System during the Fiscal Year preceding the date of the actual issuance of the Series 2010 B Bonds, plus the increased annual Net Revenues expected to be received after the issuance of the Series 2010 B Bonds is not less than 115% of the Maximum Annual Debt Service.

Very truly yours,



Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

MDG/cni

CHARTER
of the
CITY OF HUNTINGTON
WEST VIRGINIA

*****

Prepared by the
HUNTINGTON CHARTER BOARD and
Revised at theMunicipal General Election, June 1, 1993
and the Special Municipal Election, November 5, 1996

PROPOSED CHARTER
of the
CITY OF HUNTINGTON
***

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ARTICLE

ONE: Incorporation; Form of Government; Powers

TWO: Mayor

THREE: Council

FOUR: City Attorney

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SEVEN: Department of Public Works

EIGHT: Planning and Zoning

NINE: Department of Administration and Finance

TEN: Budget and Financial Procedures

ELEVEN: Nominations and Elections

TWELVE: Initiative, Referendum and Recall

THIRTEEN: Succession in Government

FOURTEEN: General Provisions

APPENDIX "A": Election Districts

He or she shall be at least twenty-five years of age at the time of his or her election and shall remain a resident of the City during his or her term or terms of office.

SECTION 2.4: ACTING MAYOR

In case of the Mayor's temporary absence, he or she shall designate, by order delivered to the City Clerk prior to Council, to serve as Acting Mayor; provided that, in the event the Mayor fails to so designate an Acting Mayor, the Director of the Department of Administration and Finance shall serve as Acting Mayor.

SECTION 2.5: VACANCY IN OFFICE

A vacancy in the office of Mayor, occurring for any reason, shall be filled in the same manner as that provided for filling vacancies in Council as set out in Section 3.13 of this Charter; except Council shall not select a member of Council to fill a vacancy and in the event Council should fail to fill a vacancy within thirty days after its occurrence, the members of Council shall receive no further compensation until such vacancy shall have been filled and no funds shall issue for such compensation which would ordinarily have accrued during the period of noncompliance.

SECTION 2.6: COMPENSATION

The Mayor shall be compensated at the rate of Fifty-Five Thousand Six Hundred Dollars per annum. Council may, by ordinance, change the salary of the Mayor, but no ordinance shall be effective to reduce or increase the Mayor's salary during his or her current term of office.

SECTION 2.7: SUBMISSION OF ORDINANCES TO MAYOR; VETO POWER

Within ninety-six hours after the adjournment of any Council meeting, the City Clerk shall present to the Mayor the record of proceedings of the meeting and all ordinances and resolutions adopted at the meeting. The Mayor, within seven days of receipt by him or her of an ordinance or resolution, shall return it to the City Clerk with his or her approval signature, with his or her written veto, or the Mayor may not act. If the ordinance or resolution is signed by the Mayor, it shall become operative as specified in the ordinance. If the ordinance is disapproved by veto, the Mayor shall attach thereto a written statement explaining the reasons for his or her veto. If the Mayor does not act, the ordinance or resolution shall become operative at noon on the seventh calendar day after it is received by the Mayor. Ordinances or resolutions vetoed by the Mayor shall be presented by the City Clerk to Council for its

ARTICLE TWO
MAYOR

SECTION 2.1: POWERS AND DUTIES OF MAYOR

The Mayor shall be the chief executive officer of the City and shall exercise all powers and perform all duties vested in or imposed upon him or her by this Charter, ordinance, general law or rule necessarily implied therefrom in order to carry out the functions of his or her office. The Mayor shall exercise directly, or through his or her authorized and duly appointed representatives, supervision over all executive and administrative work of the City. The Mayor shall report to Council, at least annually, upon the state of the City and may recommend to Council such measures as he or she deems to be in the best interests of the City and its inhabitants. The Mayor shall appoint City officers and employees as provided by law, this Charter or ordinance and may, except where prohibited or otherwise provided by general law, this Charter, ordinance or any duly adopted merit or civil service systems, remove any City officer or employee at his or her pleasure, whether such officer or employee was appointed by the Mayor with or without the approval of Council. Except as otherwise provided by general law, the Mayor shall appoint members of independent boards, agencies or commissions, which appointments shall be subject to the approval of Council; provided, however, no individual shall be eligible for reappointment to any such board, agency, or commission who has previously served three full and consecutive terms on such board, agency or commission unless a period of time equal to a full term thereon shall have passed since the expiration of said individual's last previous term of office.

SECTION 2.2: ELECTION AND TERM OF MAYOR

The qualified electors of the City shall elect the Mayor from the City at large in the manner provided in Article Eleven of this Charter, to serve for a term of four years. No person who shall have previously been elected for three full and consecutive terms as Mayor shall be eligible to succeed himself or herself in that office and the Mayor shall not, during his or her term of office, hold any other public office or position, be a member of any political executive committee.

* Amended by ordinance 9/13/93 (Further amended, 1996 General Election Cabell County; effective January 1, 1997)

SECTION 2.3: QUALIFICATIONS OF MAYOR

Prior to his or her election, the Mayor shall be a citizen of the United States and the State of West Virginia, and shall be a resident and qualified elector of the City.

CHARTER
OF THE
CITY OF HUNTINGTON

*****

ARTICLE ONE
INCORPORATION; FORM OF GOVERNMENT; POWERS

SECTION 1.1: INCORPORATION

The inhabitants of the City of Huntington, West Virginia, within the corporate limits as now established or as hereafter established, shall continue to be a municipal corporation under the name of "The City of Huntington" and in the manner provided by law.

SECTION 1.2: FORM OF GOVERNMENT

The municipal government provided by this Charter shall be the "strong-mayor plan." All powers of the City shall be exercised in the manner prescribed by this Charter or by general law.

SECTION 1.3: POWERS OF CITY

This City, incorporated under this Charter, shall have all the powers granted to municipal corporations and to cities of its class by the constitution and laws of the State of West Virginia, together with all the implied powers necessary to carry into execution all powers granted.

SECTION 1.4: CONSTRUCTION

The powers of the City under this Charter shall be construed liberally in favor of the City and the specific mention of particular powers in this Charter shall not be construed as limiting in any way the general power stated in this Article.

consideration at its next regular meeting and should Council then or thereafter adopt the ordinance or resolution by an affirmative vote of at least two-thirds of all its members, it shall be operative upon the date specified by Council, but in no event less then fifteen days after the date of final passage. If no operative date is so specified, it shall become operative at noon on the fifteenth calendar day after the date of final passage. The Mayor's veto power shall extend to disapproving or reducing any individual appropriation item in the budget or any ordinance or resolution, but shall not extend or apply to any appropriation or resolution authorized pursuant to Section 3.16 of this Charter.

SECTION 2.8: MAYOR SHALL ATTEND COUNCIL MEETINGS

The Mayor shall attend every meeting of Council, may attend any meeting of its committees and may express his or her views, orally or in writing, on matters pending before Council. The Mayor shall have no right to introduce any motion, resolution, ordinance or amendment thereto, nor to vote on questions before Council. Provisions of Section 3.13 and 14.17 pertaining to attendance at meetings shall apply to the Mayor. (Adopted, 1993 Municipal Election; effective date: July 1, 1993)

ARTICLE THREE
COUNCIL

SECTION 3.1: POWERS

All legislative powers of the City shall be vested in Council which shall be the governing body of the City.

SECTION 3.2: NUMBER, SELECTION AND TERMS

The City shall have a Council consisting of eleven members. Eleven council members shall be elected, one from each of the nine municipal election districts hereinafter described and two members elected at-large. Each of the nine district Council members shall be elected by the qualified electors residing in the particular district from which he or she is to be elected, to serve for a term of four years. Each at-large Council member shall be elected by the qualified electors residing in the entire City for a term of four years. However, no more than one at-large Council member shall be a resident of any one municipal election district at the time of his or her election. In no case shall any member of Council serve more than three full and consecutive terms as a Council member.. All elections for members of Council shall be conducted according to the provisions set forth in Article Eleven of this Charter. * Amended by ordinance 9/13/93 (Further amended, 1996 General Election Cabell County; effective January 1, 1997)

SECTION 3.3: MUNICIPAL ELECTION DISTRICTS DEFINED

The City shall be divided into nine municipal election districts as the basis for electing district Council members. The boundaries, population and designation of the nine initial council districts are specified in Appendix "A" of this Charter and shall remain in effect until changed in accordance with provisions set forth in Section 3.5 of this Charter.

SECTION 3.4: MUNICIPAL ELECTION PRECINCTS DEFINED

The municipal election precincts contained in the municipal election districts referred to in Section 3.3 of this Charter shall mean the voting precincts as they lie within the corporate limits of the City of Huntington fixed by reference to and in accordance with the division of Cabell County into precincts by Order of the County Commission of Cabell County, West Virginia, in effect for all State and County elections on the effective date of this Charter and fixed by reference to and in accordance with the division of that portion of Wayne County lying within the corporate limits of the City of Huntington into precincts by Order of the County Commission of Wayne County, West Virginia, in effect for all State and County elections on the effective date of this Charter. Within three months after their election and qualification, the members of the first Council elected under this Charter shall cause to be made and kept a detailed map of the City showing the boundaries of the municipal election districts and precincts described in Section 3.3 and 3.4 of this Charter and each subsequent Council shall cause such map to be kept, maintained and revised as appropriate. The initial such map and any revised such map shall be approved and promulgated by Council in the same manner as provided for the adoption of ordinances.

SECTION 3.5: COUNCIL REDISTRICTING

It shall be the duty of Council to redistrict the City, by Ordinance, within a period of six months after the official publication by the United States Bureau of the Census of the population of the area embraced by the City as revealed in such official census. Each municipal election district shall be made to contain as nearly as practicable, consistent with general law, an equal number of municipal residents and an equal number of qualified electors of the City as determined from the registered voters at the last general municipal election. In addition, Council shall not create or establish a municipal election district that is not compact and contiguous and in compliance with Chapter 3, Article 1 Section 6 of the Official Code of West Virginia. In no case shall Council fail to pass a redistricting ordinance, if necessitated by the provisions of this Charter later than six months preceding the primary election or any regular election

in which a seat on Council is at stake. If, at the commencement of the six month period prior to such election, Council shall have failed to redistrict the City as herein required, the members of Council shall forfeit all further compensation until such ordinance shall have been lawfully adopted; and no funds shall issue for such compensation which would ordinarily have accrued during the period of noncompliance. Within the limits established above, Council may redistrict the City by ordinance at any more frequent intervals it may deem appropriate based upon any other more timely information that may become available.

SECTION 3.6: QUALIFICATIONS

Prior to his or her election, all members of Council shall be citizens of the United States and the State of West Virginia, shall be a qualified elector and resident of the City and of his or her respective district and shall; during his or her term of office remain a resident of the district from which he or she is elected or has been appointed to represent; provided, however, no redistricting of the City shall affect the term of any Council member during his or her then existing term of office. A Council member shall not, during his or her term of office, hold any other public office, be a member of any political executive committee nor be an employee of the City.

SECTION 3.7: ORGANIZATION OF COUNCIL; OFFICERS; RULES; EMPLOYEES; MEETINGS

Council shall meet in the Council chambers at City Hall for organization at 7:30 p.m. local time on the Monday next following the date its members assume office, at which time it shall elect one of its members as Chairperson and one of its other members as Vice-Chairperson, both of whom shall serve at the will and pleasure of Council. The Chairperson shall be the presiding officer and shall, together with all other Council members, have the right to vote in Council. In the event of the Chairperson's absence, disability, or disqualification to act, the Vice-Chairperson shall act as Chairperson. A majority of the total number of Council members shall constitute a quorum for any purpose not requiring more than a majority vote of Council. Council shall determine and adopt its own rules governing its officers and employees, for the organization of committees and respecting the transaction of its business; except that, whenever in the conduct of any business of Council, a vote is required by Council, all members present shall vote on the issue, question, motion, resolution or other business and no vote of abstention, disqualification, pass or other similar such vote shall be permitted except as provided by Charter or general

law. Council shall meet regularly on the second and fourth Monday of each month at 7:30 p.m. local time in the Council Chambers at City Hall, excepting only when a regularly scheduled Council meeting shall occur on a legal holiday. Council shall, in that event, meet at such time as prescribed by Section 14.8 of this Charter, but not less frequently than herein prescribed. Special meetings may be called at any time, upon reasonable notice by the Mayor or the Chairperson of Council, and shall be so called by the Chairperson upon the request of a majority of all members of Council. The requirement of reasonable notice, may be satisfied by delivering to each member of Council a written notice of the time, place and purpose of the special meeting in the method provided by law for the service of process in a civil action at least twelve hours prior to the time set for the meeting or by such other method as Council may by ordinance provide. No other meetings of Council, except as herein provided, shall qualify for any purpose under this Charter. Council may designate the City Auditorium, or such other appropriate and convenient location, as the Council Chambers for purposes of conducting its regular meetings and any special meetings that may be called pursuant to the provisions herein. (Amended by ordinance, 2/26/93)

SECTION 3.8: CITY CLERK

Council shall appoint a City Clerk who shall give notice of its meetings, keep the journal of its proceedings, authenticate by his or her signature and record in full, in a book kept for the purpose, all ordinances and resolutions and perform such other duties as may be required by this Charter, Council, or general law. The City Clerk shall serve at the will and pleasure of Council.

SECTION 3.9: ORDINANCES; PROCEDURE

Every act of Council which is to become law shall be by ordinance. Prior to the enactment of any ordinance, the Council shall cause notice of the proposed adoption of said ordinance to be published as a Class I-O legal advertisement in compliance with the provisions of general law; the notice shall state the subject matter and general title or titles of such proposed ordinance, the date, time and place of the proposed final vote on the adoption of the ordinance, and the place or places within the City where such proposed ordinance may be inspected by the public. A reasonable number of copies of the ordinance may be inspected by the public. A reasonable number of copies of the proposed ordinance shall be kept in the office of the City Clerk and be made available for public inspection. Said notice shall also advise that interested parties may appear at the meeting and be heard with respect to the proposed ordinance. All other procedures for enacting ordinances shall be performed in the manner provided in Chapter 8, Article 11 of the West Virginia Code. (Adopted, 1993 Municipal Election; effective date: July 1, 1993)

SECTION 3.10: COUNCIL MEETINGS TO BE PUBLIC

The meetings of Council shall be open to the public; provided, however, Council may hold a closed, executive session, for the purpose of discussing any matter authorized by law; and also provided the procedure used to hold such executive session conforms to the requirements of Chapter 6, Article 9A of the Official Code of West Virginia, together with any other applicable law.

SECTION 3.11: COUNCIL TO BE JUDGE OF QUALIFICATIONS OF MEMBERS

Council shall be the judge of the election and qualification of its members, consistent with the provisions of this Charter and general law, and for such purpose Council shall have power to subpoena witnesses and require production of records.

SECTION 3.12: CREATION OF DEPARTMENTS OR OFFICES; CHANGE IN DUTIES

Council may create, change or abolish offices, departments, divisions, boards or agencies, other than the offices, departments, divisions, boards and agencies created by this Charter. Either Council or the Mayor may assign additional functions or duties to offices, departments, divisions, boards or agencies established by Council or by this Charter, but the Mayor may not discontinue such duties or functions without the approval of Council. Neither the Mayor nor Council shall discontinue or reassign to any other office, department, division, board or agency any function or duty assigned by this Charter to a particular office, department, division, board or agency.

SECTION 3.13: VACANCIES IN COUNCIL

If a Council member absents himself or herself from forty or more percent of the meetings scheduled in accordance with Section 3.7 herein in any twelve month period, ceases to possess any of the qualifications required by this Charter, becomes physically or mentally incapacitated to the extent that he or she is unable to properly perform the functions of the office or is convicted of a felony or any crime involving moral turpitude, he or she shall be disqualified from holding the office of Council member and such office shall thereby become vacant and shall be so declared by Council forthwith. Any Council member may be removed from office under the provisions of general law. If a Council member absents himself or herself from forty or more percent of Council meetings as provided herein, such absence shall, ipso facto, constitute neglect of duty. If a vacancy on Council shall occur as aforesaid or by reason of death, resignation, removal or other cause, such vacancy shall be filled as follows: The

remaining members of Council shall select a citizen with requisite qualification by a majority vote of its remaining members at a meeting held not less than fifteen nor more than thirty days following the declaration of such vacancy, who shall be a resident of the same district as that in which the Council member resided whose seat was vacated. The person so appointed shall hold office for the unexpired term or until his or her successor has been duly elected and qualified. In the event Council shall fail to choose a qualified successor, as provided herein, the Mayor shall appoint a person with the requisite qualifications to fill the vacancy for the unexpired term or until his or her successor has been elected and qualified.(Amended by Ordinance 5/8/89)

SECTION 3.14: COMPENSATION

Each member of Council shall receive the sum of Two Hundred Fifty Dollars for each Council meeting scheduled and attended pursuant to Section 3.7 herein; provided, however, the annual compensation of any Council member shall, in no event, exceed the sum of Six Thousand Dollars per annum. Council shall, by ordinance, address itself to the issue of compensation for the Mayor and Council members at least once every four fiscal years, commencing with action by Council prior to the fiscal year ending June 30, 1988, and the resulting ordinance shall not become effective for one year from its adoption. Thereafter, Council shall address and so act upon the issue by the end of each fourth fiscal year. If Council should fail to act on the issue within the time prescribed herein, the members of Council shall receive no further compensation until such ordinance shall have been adopted and no funds shall issue for such compensation which would ordinarily have accrued during the period of noncompliance. In no case shall any change in the salary of Council members or of the Mayor become effective during the current term of any Council member or Mayor. In no event shall any Council member receive compensation for any meeting which he or she did not attend.

SECTION 3.15: CODIFICATION OF ORDINANCES

Council shall, within five years of the effective date of this Charter and at least every eight years thereafter, cause to be prepared a Code with an adequate index containing all ordinances of general application which are appropriate for continuation as law. Such Code may be prepared by the City Attorney or Council may contract for its preparation by professional persons or by organizations experienced in the revision and codification of ordinances or statutes. When the Code, or any general revision thereof, shall have been prepared, Council shall cause copies of the same to be prepared and made available for

public distribution. No ordinance approving such Code or revision shall be adopted until ninety days have elapsed following the date on which Council shall have noted in its official journal the availability of copies of such proposed Code to the public nor until compliance with all applicable law. The Code and general revisions thereof need not be printed in the official journal, but Council shall cause the Code and revisions to be published and distributed to the public at such reasonable price as may be established. All ordinances of general application, adopted after the approval of the Code, shall be adopted as amendments to the Code, shall indicate the section numbers to be assigned to the text of such ordinance in the Code and shall be indexed accordingly therein. Until such Code is prepared, adopted and distributed, the City Clerk shall make available to any person requesting it, at a cost to be fixed by Council, copies of all presently effective City ordinances and all ordinances which may be subsequently adopted.

SECTION 3.16: INVESTIGATION; POWERS TO CONDUCT

Council shall have power to conduct investigations of the operation of any office, department, division, agency or board administering the affairs of the City and of any subject upon which it may legislate. Council shall have power to administer oaths, subpoena witnesses and compel the production of records pertinent to any investigation conducted pursuant to this section of the Charter.

SECTION 3.17: IMPEACHMENT POWERS

Council shall have authority to initiate impeachment proceedings, by resolution, against the Mayor, member of Council or against any appointee of the Mayor, by a two-thirds vote of the members of Council. A three-fourths vote of the members of Council shall be required to convict any person so impeached. Conviction under this section shall be grounds for removal from office in accordance with the provisions of this Charter or general law. In the event an impeachment resolution is adopted by Council, as specified herein, it shall state with clarity and particularity each offense of which the person is accused, in terms sufficient to constitute due and proper notice to such person of the nature of the offense or offenses charged.

SECTION 3.18: APPROVAL OF APPOINTEES VETO POWER

Unless otherwise provided by general law, Council shall have power to veto, by a two-thirds vote of its members, any appointee designated by the Mayor to any office, department, or division provided for in this Charter, so long as such veto power is duly exercised within thirty days from receipt by

Council, of notice of the Mayor's designated appointee. If Council fails to act within the time period prescribed herein, such designated appointee shall be deemed approved by Council.

SECTION 3.19: EXECUTION AND ENFORCEMENT

Council shall hold the Mayor accountable for the execution and enforcement of those provisions of the Charter pertaining to the Mayor's non-discretionary duties. Alternate remedies failing, Council may on a majority vote of the entire Council require the Mayor to forfeit all further compensation until such provisions shall have been lawfully executed; and no funds shall issue for such compensation which would ordinarily have accrued during the period of noncompliance. (Adopted, 1993 Municipal Election; effective date: July 1, 1993)

ARTICLE FOUR
CITY ATTORNEY

SECTION 4.1: QUALIFICATIONS, SELECTION AND TENURE

There shall be a City Attorney who shall be an attorney licensed to practice law in the State of West Virginia, who shall have practiced therein for at least five years, he or she shall be a resident and qualified elector of the City and duly qualified to practice before the Circuit Courts of Cabell and Wayne Counties. The City Attorney shall be appointed by the Mayor with the approval of Council and may be removed by the Mayor only with the approval of Council. The City Attorney shall serve for a term not to extend beyond the term of the Mayor appointing him or her.

SECTION 4.2: POWERS AND DUTIES

The City Attorney shall perform all duties and exercise all powers which shall be imposed or conferred upon him or her by this Charter, Council, or the Mayor. Except as otherwise provided by law, he or she shall act as attorney for Council, the Mayor and municipal boards or commissions for which legal counsel has not otherwise been provided. At the direction of the Mayor, the City Attorney shall also act as attorney for any other municipal officer or employee in connection with the performance of his or her official duties. Upon request, he or she shall furnish Council, the Mayor and any municipal board or commission making a written request therefore a written opinion upon any question of law concerning or affecting the affairs of the City. Except where other legal counsel is provided as herein set out, the City

Attorney shall prosecute all actions for and defend all actions against the City; prosecute all cases brought before or appealed from the Municipal Court; andmaintain and preserve as permanent records of the City Attorney's office all legal files, records and papers pertaining to the legal affairs of the City for which he or she is responsible. The City Attorney shall also conduct such investigations as he or she shall deem necessary concerning the facts in any litigation in which he or she acts as attorney for the City, the Mayor, the Council, any municipal board, agency or commission, or any municipal officer or employee. (Amended by Ordinance 5/8/89)

SECTION 4.3: ASSISTANT CITY ATTORNEYS

The City Attorney may recommend and the Mayor may employ one or more attorneys to assist the City Attorney in the discharge of his or her official duties. Such Assistant City Attorney or Attorneys shall possess the same qualifications, except as to the length of professional experience, as the City Attorney and under the direction and supervision of the City Attorney, shall assist the City Attorney in his or her duties.

SECTION 4.4: SPECIAL COUNSEL

Whenever the exigencies of the business of the City require, either the Mayor or the Council shall have power, within the limits of available budgeted funds, to employ special counsel to represent either the Mayor or the Council as the case may be in the performance of their respective official duties, or in the prosecution or defense of litigation in which the Mayor or the Council is involved. Such employment shall be governed by written agreement with the employed attorney, which agreement shall define the compensation to be paid, the work to be performed by the attorney, the term of employment, and the circumstances under which the agreement may be terminated by either party to the agreement. This section will not abrogate the rights of the City or its insurance carriers under the terms of any contract of insurance. (Amended by Ordinance 5/8/89)

ARTICLE FIVE
MUNICIPAL COURT

SECTION 5.1: JURISDICTION

There shall be a Municipal Court which shall have criminal jurisdiction over violations of City ordinances, the criminal jurisdiction of a Magistrate of the State of West Virginia and such other jurisdiction, authorized by law.

SECTION 5.2: MUNICIPAL JUDGE, QUALIFICATIONS

The Judge of the Municipal Court shall be an attorney licensed to practice law in the State of West Virginia. He or she shall have practiced law in the State for at least five years, shall be a resident and qualified elector of the City and admitted to practice before the Circuit Courts of Cabell and Wayne Counties, West Virginia.

SECTION 5.3: METHOD OF SELECTION, TERM OF OFFICE

The Judge of the Municipal Court shall be appointed by the Mayor and shall serve at the will and pleasure of the Mayor for a term which shall not extend beyond the term of the Mayor appointing him or her.

SECTION 5.4: ACTING MUNICIPAL JUDGE

In the event of the temporary absence of the Municipal Judge, the Mayor shall serve as Acting Municipal Judge or shall appoint a person with the same qualifications required of the Municipal Judge, to serve as Acting Municipal Judge, during such absence.

SECTION 5.5: MUNICIPAL JUDGE, POWERS AND DUTIES

The Judge of the Municipal Court shall preside over the Municipal Court and, with respect to offenses over which the Municipal Court has jurisdiction, he or she shall have all the powers and duties which a Magistrate has with regard to violation of the criminal law of the State of West Virginia. The Municipal Judge shall have power to issue warrants, upon complaint under oath of any person or officer, for the arrest of anyone charged with any municipal offense within the jurisdiction of the Court or for search and seizure in connection with violation of a municipal ordinance.

The Municipal Judge shall try and determine all cases over which the Court has jurisdiction and, within the limits prescribed by ordinance or general law, shall have power to punish by fine, imprisonment or both. The Municipal Judge shall have power to summon persons or subpoena witnesses for the trial of any case before the Court, to compel the attendance of police officers of the City or to require the Chief of Police to enforce all judgments or orders entered by the Court in the exercise of its powers. In Municipal Court proceedings for the recovery of fines or for the enforcement of penalties fixed by ordinance or other law, the Court shall, so far as applicable, conform to the provisions of general law governing civil proceedings before a Magistrate of the State of West Virginia. The Municipal Judge shall have such other powers and duties as Council may by ordinance provide pursuant to general law.

SECTION 5.6: MUNICIPAL COURT, PROCESS

All warrants and other process and orders of the Municipal Court shall be signed by the Municipal Judge and may be directed to the Chief of Police, to be executed by him, her or by one of his or her subordinates at any place within the police jurisdiction of the City. The officer executing any such warrant, process or order shall have the same liability as a County Sheriff of the State of West Virginia in the performance of like duties or services.

SECTION 5.7: FINES AND FEES

All fines and fees received by the Municipal Court shall be paid over to the Department of Administration and Finance to be disposed of as prescribed by ordinance or general law.

ARTICLE SIX
TAXATION

SECTION 6.1: TAXING POWERS PRESERVED

The City shall have every power to tax, license, franchise and charge which it had immediately prior to the effective date of this Charter, including the powers given to it under the Official Code of West Virginia. The City shall continue to impose and collect every tax, license, franchise, fee and charge which is being imposed by the City immediately prior to the effective date of this Charter, until the same is revised, modified or repealed by Council.

SECTION 6.2: CONSTRUCTION

The powers of the City under this Article shall be construed liberally in favor of the City and the specific mention of particular powers in this Article shall not be construed as limiting in any way the general power stated in this Article.

ARTICLE SEVEN
DEPARTMENT OF PUBLIC WORKS

SECTION 7.1: DIRECTOR OF PUBLIC WORK: QUALIFICA TIONS, SELECTION AND TENURE

There shall be a Department of Public Works the head of which shall be the Director of Public Works who shall be appointed by the Mayor and serve at the will and pleasure of the Mayor. The Director of Public Works shall be a person of proven executive and administrative ability, a professional engineer registered by the State of West Virginia and shall have experience and training in the field of municipal engineering..

SECTION 7.2: POWERS AND DUTIES

Under the direction and control of the Mayor, the Director of Public Works shall, except as otherwise provided by general law: Supervise construction, repair and maintenance of all streets, alleys, sidewalks and other public ways; direct the operation, repair and maintenance of all municipal public works; and perform such other duties as may be required of him or her by this Charter, the Mayor or Council.

SECTION 7.3: PERMITS AND INSPECTIONS

With the assistance of the City Engineer, as hereinafter provided, the Director of Public Works shall issue permits for and conduct inspections of buildings, construction, plumbing, electrical, elevator and other building installations.

SECTION 7.4: CITY ENGINEER, QUALIFICATIONS, SELECTION AND TENURE

Within the Department of Public Works, there may be a City Engineer who shall be appointed by the Mayor and serve at the will and pleasure of the Mayor. The City Engineer shall be a professional engineer registered by the State of West Virginia and shall have experience and training in the field of municipal engineering.

SECTION 7.5: POWERS AND DUTIES

The City Engineer shall: Act as engineering adviser to the Mayor, Council and municipal agencies, commissions and boards unless otherwise provided by law; provide engineering services for the City in the construction, purchase and maintenance of its facilities, public works and equipment, except such services for the City as are performed by independent contractors or assigned to other offices, departments or agencies of the City and to the extent that such services are performed by independent contractors, to inspect and certify, prior to acceptance thereof or payment therefore, the satisfactory performance of all work done for the City by independent contractors; supervise and regulate the issuance of permits for construction; supervise and regulate the inspection of buildings, construction, electrical, plumbing, elevator and other building installations; maintain and preserve, as custodian for the City, all records, plats, maps, specifications, and similar documents pertaining to the public works, property, improvements and streets of the City; and furnish upon request, at such fee as may be established by ordinance, certified copies, of any such material pertaining to the engineering affairs of the City for which he or she is responsible.

ARTICLE EIGHT
PLANNING AND ZONING

SECTION 8.1: PLANNING COMMISSION

There shall be a Huntington Planning Commission which shall consist of not less than five nor more than fifteen citizens all of whom shall be residents of the City. Council shall establish, by ordinance, the exact number which shall compose the Commission. The members of the Commission shall be appointed and possess the qualifications established by Chapter 8, Article 24, of the Official Code of West Virginia and shall hold their office for the terms prescribed by said law

SECTION 8.2: POWERS AND DUTIES

The Commission established herein shall be governed by Chapter 8, Article 24, of the Official Code of West Virginia and shall have all powers and duties prescribed by said law, this Charter and ordinance in conformity therewith.

SECTION 8.3: VACANCIES

A vacancy shall be deemed to exist on the Commission whenever any member shall die, resign, be removed, fail to meet the requirements of Section 14.17 of this Charter or cease to possess any other qualification required by this Charter or general law.

SECTION 8.4: MEETINGS

The Commission shall meet at such times as prescribed by general law and by its rules, but not less frequently than once every other month. All meetings of the Commission at which any final action is taken shall be open to the public and the Commission shall provide by its rules a method whereby citizens of the City shall have a reasonable opportunity to be heard at any such meeting in regard to any matter then under consideration. A permanent written record of its resolutions, findings and determinations shall be maintained by the Commission and shall be available to the public upon request. A majority of the members of the Commission shall constitute a quorum for any purpose not requiring more than a majority vote.

SECTION 8.5: DIRECTOR OF PLANNING, POWERS AND DUTIES

There may be a Director of Planning who shall be appointed by the Commission. The Director shall be qualified by special training and experience in the field of city planning. He or she shall provide technical advice to the Commission, may also be designated its executive secretary and shall perform such other duties as the Commission, Mayor or Council may direct.

SECTION 8.6: CONTINUITY OF PLANNING COMMISSION

The Planning Commission heretofore established shall continue to operate as though authorized under the terms of Chapter 8, Article 24, of the Official Code of West Virginia. All action lawfully taken prior to the adoption of this Charter is hereby validated and continued in effect until amended or repealed in the manner provided herein or by general law. The membership of the existing Commission shall continue until changed by general law, ordinance or this Charter.

SECTION 8.7: COMPREHENSIVE PLAN ADOPTED

The Commission shall prepare a comprehensive plan and submit it to Council for its consideration and action. Thereafter, the Commission shall submit to Council its amendments to the comprehensive plan for consideration and action; provided, however, if Council shall fail to act upon said matters the Commission submits to it within ninety days after the date that such plan or amendments thereto shall have been first submitted, the same shall be deemed approved. (Amended by Ordinance 5/8/89)

SECTION 8.8: EFFECT OF COMPREHENSIVE PLAN

Before final action shall be taken by Council on the location or design of any street, park, parkway, playground, public memorial, public building, structure or any other public area or project, the Commission shall have previously submitted to Council a written report with recommendations regarding same. Such reports shall also contain a statement as to whether such project is consistent with the comprehensive plan. (Amended by Ordinance 5/8/89)

SECTION 8.9: PLAN AND PLATTING CONTROL

To the extent authorized by general law, the Commission shall have control of plans and plats of land within the City and beyond the territorial limits thereof as far as is reasonably necessary to protect the City against inadequately planned streets, highways, sewers and territory; provided, however, said control shall not apply to land outside the City over which platting control is in some other authority. All plans, plats and replats of land, laid out in building lots and streets, intended to be dedicated to public use, shall be

ıbmitted to the Commission for its consideration and no such plan, plat or ıeplat shall be of any legal effect or filed in the offices of the Clerk of the County Commission and the County Assessors of Cabell or Wayne Counties, depending on the county wherein the platted land lies, until such plan, plat or replat shall have endorsed upon it the fact that it has been first submitted to the Commission and by the Commission duly approved; provided, however, that official acceptance of streets and all other rights-of-way intended to be dedicated to public use shall be submitted to City Council by resolution for City Council's approval. (Amended by Ordinance 5/8/89)

SECTION 8.10: OFFICIAL MAP

Council shall, by ordinance, establish an official map of the City which shall indicate the location of all existing public streets and such other data as Council may deem appropriate.

SECTION 8.11: MODIFICATION OF OFFICIAL MAP

After the establishment of an official map, all street locations, plats or replats approved by Council shall be deemed amendments to the official map and shall be placed thereon.

SECTION 8.12: BOARD OF ZONING APPEALS

There shall be a Board of Zoning Appeals consisting of five members, appointed in the manner provided by Chapter 8, Article 24, of the Official Code of West Virginia. Members of the Board of Zoning Appeals shall possess the qualifications prescribed by said law and shall be appointed for terms established therein.

SECTION 8.13: POWERS AND DUTIES OF BOARD OF ZONING APPEALS

The Board of Zoning Appeals shall be governed by and shall have all powers and duties prescribed by Chapter 8, Article 24, of the Official Code of West Virginia, this Charter and ordinance in conformity therewith. In addition however, the Board of Zoning Appeals shall have power to employ independent legal counsel to aid in the performance of its duties.

SECTION 8.14: CONTINUITY OF BOARD OF ZONING APPEALS

The Board of Zoning Appeals heretofore established shall continue to operate as though authorized under the terms of Chapter 8, Article 24, of the Official Code of West Virginia. All action lawfully taken prior to the adoption of this Charter is hereby validated and continued in effect until amended or repealed in the manner provided by general law.

ARTICLE NINE
DEPARTMENT OF ADMINISTRATION AND FINANCE

SECTION 9.1: DIRECTOR OF ADMINISTRATION AND FINANCE; QUALIFICATIONS, SELECTION AND TENURE

There shall be a Department of Administration and Finance the head of which shall be the Director of Administration and Finance who shall be appointed by the Mayor and serve at the will and pleasure of the Mayor. The Director of Administration and Finance shall be a person of proven executive and administrative ability.

SECTION 9.2: POWERS AND DUTIES

Under the supervision, direction and control of the Mayor, the Director of Administration and Finance shall have supervision and control of the work and management of the Division of Finance, Division of Purchasing, Division of Personnel, Division of Data Processing and such other duties as the Mayor may require of him or her.

SECTION 9.3: FINES AND FEES SHALL BE PAID TO DEPARTMENT OF ADMINISTRATION AND FINANCE

All fines and fees received by any officer or employee of the City sha be paid over to the Department of Administration and Finance daily or a intervals Council may specifically prescribe.

SECTION 9.4: DIVISION OF FINANCE, DIRECTOR OF THE DIVISION OF FINANCE, QUALIFICATIONS

There shall be a Division of Finance the head of which may be the Director of the Division of Finance. The Director of the Division of Finance shall have knowledge of municipal accounting and taxation and shall have experience in budgeting and financial control.

SECTION 9.5: POWERS AND DUTIES

The Director of the Division of Finance shall have authority and shall be required to: Collect or provide for the collection of all taxes, special assessments, license fees and other revenues of the City and receive all other moneys payable to the City, except as otherwise provided by general law; maintain custody of all public funds belonging to or under the control of the City and deposit funds in such depositories as may be designated by resolution of Council or, if no such resolution be adopted, in such depositories as may be designated by the Mayor; supervise the disbursement of all moneys and control all expenditures to insure that budget appropriations are not exceeded; maintain a general accounting system for the City and each of its offices, departments, divisions and agencies; keep books for and exercise financial budgetary control over each office, department, division and agency; keep separate accounts for the items of appropriation contained in the City budget each of which accounts shall show the amount of the appropriation, the amounts paid therefrom, the unpaid obligations chargeable against it and the unencumbered balance; require reports of receipts and disbursements from each office, department, division and agency of the City to be made daily or at such intervals as he or she may deem expedient; except as otherwise provided by general law, maintain custody of all investment funds of the City, or in possession of the City in a fiduciary capacity, and of all bonds and notes of the City and receive and deliver City bonds and notes for transfer, registration or exchange; supervise all special assessments for the City or any of its agencies and give notice of special assessments as may be required by law; prepare all municipal bond issues; assist the Mayor as he or she may require in the preparation of monthly and yearly financial reports and in the preparation of the budget; conduct or provide for the conducting of a complete and accurate annual physical inventory of all City owned equipment of the initial purchase value of One Hundred Dollars or more; provided, however, Council may, by ordinance, provide for the increase or decrease of the purchase value amount herein specified; and perform such other duties as may be required of him or her by this Charter, ordinance or general law.

SECTION 9.6: ACCOUNTING SUPERVISION AND CONTROL

The Director of the Division of Finance shall also have authority and shall be required to: prescribe the forms of receipts, requisitions, vouchers, bills or claims to be used by the offices, departments, divisions and agencies of the City; examine and approve all contracts and other documents by which the City incurs financial obligation; inspect, audit and approve, before payment, all purchase orders, bills, invoices, payrolls and other evidence of claims, demands or charges against the City; and inspect and audit any account or record of financial transaction which may be maintained in any office, department, division or agency of the City, apart from or subsidiary to, the accounts kept in the office of the Director of the Division of Finance.

SECTION 9.7: DIVISION OF PURCHASING, DIRECTOR OF THE DIVISION OF PURCHASING, QUALIFICATIONS

There shall be a Division of Purchasing the head of which may be the Director of the Division of Purchasing who shall have knowledge and experience in the field of municipal purchasing.

SECTION 9.8: POWERS AND DUTIES

The Director of the Division of Purchasing shall have authority and shall be required to: Contract for and purchase all supplies, materials, equipment and services required for each office, department, division or agency of the City; prepare or maintain, endorse and publish specifications with respect to supplies, materials and equipment required by the City; inspect or supervise the inspection of all deliveries of supplies, materials and equipment to determine their quality, quantity and conformity with specifications and provide for the distribution thereof to the appropriate office, department, division or agency; have charge of storerooms and warehouses; and transfer to and between offices, departments, divisions and agencies or sell surplus, obsolete or unused supplies, materials and equipment.

SECTION 9.9: COMPETITIVE BIDDING

Before the Director of the Division of Purchasing shall make any purchase or contract for supplies, materials or equipment, he or she shall give ample opportunity for competitive bidding under such rules and regulations as Council shall prescribe; provided, however, Council shall not except any contract, purchase or sale from the requirement of competitive bidding.

SECTION 9.10: DIVISION OF PERSONNEL, DIRECTOR OF THE DIVISION OF PERSONNEL, QUALIFICATIONS, POWERS AND DUTIES

There shall be a Division of Personnel the head of which may be the Director of the Division of Personnel who shall be experienced in personnel management and whose powers and duties shall be prescribed by Council.

SECTION 9.11: PERSONNEL POLICY

Employment, appointments and promotions in the administrative service of the City shall be made according to merit and fitness. No person in the employment of the City or seeking employment with the City shall be appointed, employed, compensated, promoted, reduced, removed or in any way favored or discriminated against because of his or her race, sex, religion, age, handicap or national origin.

SECTION 9.12: PERSONNEL POWERS AND DUTIES OF MAYOR

The Mayor, or his or her subordinate, shall cause to be prepared, and timely reviewed and revised, personnel rules which shall be considered by Council and adopted as proposed, or amended by Council and adopted, by ordinance, or referred to the Mayor for additional study and resubmission. The rules shall provide: for the classification of all City positions based on the duties, authority and responsibility of each position with adequate provision for reclassification of any position whenever warranted; methods for determining the merit and fitness of candidates for appointment, employment or promotion; the hours of work, attendance regulations and provisions for sick and vacation leave; the policy and procedure governing persons holding provisional appointments; the policy and procedure governing relationships with employee organizations; the policy regarding in-service training programs; grievance procedures, including procedure for the hearing of grievances and for the reduction in force and removal of employees; and any other practices and procedures necessary to the administration of the City personnel system. Except as otherwise provided in this Charter, whenever it is deemed necessary, the officer or body having authority to appoint an officer or employee may appoint a temporary officer or employee; provided, however, such temporary appointment shall not extend beyond a term of sixty days. There shall be no extension of any temporary appointment.

SECTION 9.13: PERSONNEL POWERS AND DUTIES OF COUNCIL

Except as otherwise provided by general law or this Charter, Council shall fix the salaries of City employees and officers and may, by ordinance, define the duties of any City officer or employee. Neither Council nor any member thereof shall direct, interfere or obstruct the appointment or removal of any City employee, except an employee whom Council is authorized to employ and remove under the provisions of this Charter or general law. Except for the purpose of inquiry, Council and its members shall deal with the administrative service solely through the Mayor and neither Council nor any member thereof shall give orders to any subordinates of the Mayor, either publicly or privately. Violation of the provisions of this section by any Council member shall constitute official misconduct. Nothing herein contained, however, shall prohibit any Council member from bringing to the attention of the Mayor any fact or circumstance which may indicate misconduct or deficiency on the part of any personnel.

SECTION 9.14: EMPLOYEE RETIREMENT AND BENEFIT FUND

Council may, by ordinance, establish and provide for the maintenance of any employee retirement and benefit fund in accordance with general law, provided, however, until amended or repealed, all existing ordinances concerning pensions and pension funds shall continue in full force and effect and nothing contained herein shall in any way affect the continuation or validity of any pension already being paid or funded by the City.

SECTION 9.15: RESTRICTIONS

Unless otherwise provided by this Charter, no person who holds an elected public office shall, at the same time, be an employee or an elected or appointed officer of the City.

SECTION 9.16: PROHIBITIONS

Except as otherwise provided by general law, no person in City government service shall directly or indirectly solicit any assessment, subscription or contribution for any political purpose whatever from any person holding a position or in the employ of City government and except for the Mayor and members of Council, no employee of the City shall take any active part in the management or promotion of any political party or political campaign. Any person who willfully violates any of the provisions of this

ection shall be subject to such punishment as Council shall, by ordinance, prescribe and such person shall, for a period of five years, be ineligible for any municipal appointment or employment and if he or she is an officer or employee of the City at the time of such violation, he or she shall forfeit the office or position he or she holds.

SECTION 9.17: AFFIRMATIVE ACTION

In accordance with general law, Council shall provide, by ordinance, for an Affirmative Action Program for any or all positions of City employment.

SECTION 9.18: DIVISION OF DATA PROCESSING, DIRECTOR OF THE DIVISION OF DATA PROCESSING, QUALIFICATIONS

There shall be a Division of Data Processing the head of which may be the Director of the Division of Data Processing who shall be a person of training and experience in the fields of Data Processing and Computer Sciences.

SECTION 9.19: POWERS AND DUTIES

The Director of the Division of Data Processing shall have authority and shall be required to provide all computer and other data processing services required by any office, department, division or agency of the City.

ARTICLE TEN
BUDGET AND FINANCIAL PROCEDURES

SECTION 10.1: FISCAL YEAR

The fiscal year of the City shall begin on the first day of July of each calendar year and end on the last day of June of the following calendar year.

SECTION 10.2: SUBMISSION OF BUDGET AND BUDGET MESSAGE

On or before the fifteenth day of February of each year, the Mayor shall submit to Council the budget for the next fiscal year and an accompanying message. In addition, within sixty days from the beginning of each fiscal year, the Mayor shall ascertain the true carry-over balance of accounts of the City and shall submit to Council amendments to the budget reflecting same.

SECTION 10.3: BUDGET MESSAGE

The Mayor's budget message shall explain the budget, both in fiscal terms and in terms of work programs. It shall outline proposed financial policies of the City for the next fiscal year, describe important features of the budget, indicate all major changes from the current year in financial policies, expenditures and revenues together with the reason for such changes, summarize the City's debt position and include such other material as the Mayor deems desirable.

SECTION 10.4: BUDGET

The budget shall provide a complete financial plan of all City funds and activities for the next fiscal year and, except as required by law or this Charter, shall be in such form and contain such information as the Mayor deems desirable or Council may require. In organizing the budget the Mayor shall utilize the most feasible combination of expenditure classification by fund, organization unit, program, purpose or activity and object. It shall begin with a clear general summary of its contents, shall show in detail all estimated income, indicating the proposed property tax levy and all proposed expenditures, including debt service, for the next fiscal year and shall be so arranged as to show comparative figures for actual and estimated income and expenditures of the current fiscal year and actual income and expenditures of the preceding fiscal year. It shall indicate in separate sections: proposed expenditures for current operations during the next fiscal year, detailed by office, department, division and agency in terms of their respective work programs and the proposed method of financing such expenditures; proposed capital expenditures during the next fiscal year detailed by office, department division and agency when practicable, and the proposed method of financing each such capital expenditure; and anticipated net surplus or deficit for the next fiscal year of each utility owned or operated by the City and the proposed method of its disposition. Subsidiary budgets for each City utility, board agency or commission, giving detailed income and expenditure information shall be attached as appendices to the budget. Without respect to the net surplus or deficit of any utility operated by the City, the total of proposed expenditures shall not exceed the total of estimated income.

SECTION 10.5: CAPITAL PROGRAM

The Mayor shall prepare and submit to Council a five-year capital program concurrently with the submission of the annual budget. The capital program shall include: a clear general summary of its contents; a list of a

apital improvements which are proposed to be undertaken during the five fiscal years next ensuing with appropriate supporting information as to the necessity for such improvements; cost estimates, method of financing and recommended time schedules for each such improvement; and the estimated annual cost of operating and maintaining the facilities to be constructed or acquired. This information may be revised and extended each year with regard to capital improvements still pending or in the process of construction or acquisition. (Amended by Ordinance 5/8/89)

SECTION 10.6: COUNCIL ACTION ON BUDGET

Council shall publish in one or more newspapers of general circulation in the City the general summary of the budget together with a notice stating the times and places where copies of the message and budget are available for inspection by the public and the time and place, not less than two weeks after such publication, for a public hearing on the budget. After the public hearing, Council shall meet upon call by the Chairman for work sessions on the budget whether to adopt the budget with or without amendment. Provisions of Sections 3.13 and 14.17 pertaining to attendance at meetings shall apply to the budget work sessions. In amending the budget, it may add or increase programs or amounts and may delete or decrease programs or amounts, except expenditures required by law or for debt service or for estimated cash deficit; provided, however, no amendment to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income. Council shall adopt the budget and enter its order adopting the statutory levy estimate and laying the levies on the third Tuesday of April in the fiscal year currently ending. In addition, Council shall also amend and revise the budget pursuant to the requirements of Section 10.2 of this Charter. Adoption of the budget shall constitute appropriation of the amounts specified therein as expenditures from the funds indicated. (Amended by Ordinance, 5/8/89) (Further amended, 1993 Municipal Election; effective date: July 1, 1993)

SECTION 10.7: COUNCIL ACTION ON CAPITAL PROGRAM; NOTICE AND HEARING

Council shall publish the general summary of the capital program concurrently with the publication of the annual budget in one or more newspapers of general circulation in the City. Council shall also publish therewith a notice stating the times and places where copies of the capital program are available for inspection by the public and the time and place for a public hearing on the capital program. Said public hearing shall be held not less than two weeks after such publication (Amended by Ordinance, 5/8/89)

SECTION 10.8: ADMINISTRATION OF BUDGET

At such time as the Mayor shall specify, each department, division, office or agency shall submit work programs for the next fiscal year showing the requested allotments of its appropriation by periods within the year. The Mayor shall review and authorize such allotments, with or without revision, as early as possible in the fiscal year. He or she may revise such allotments during the year if he or she deems it desirable and shall revise them in accord with any supplemental, emergency, reduced or transferred appropriations, subject to any limitations imposed by general law.

SECTION 10.9: TRANSFERS OF APPROPRIATIONS

Except as otherwise provided by general law, the Mayor may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department, division or agency. At the request of the Mayor and within the last three months of the budget year, Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one office, department, division or agency to another.

ARTICLE ELEVEN
NOMINATIONS AND ELECTIONS

SECTION 11.1: GENERAL ELECTION LAWS TO CONTROL; TERMS OF OFFICERS

Except as otherwise provided herein, the provisions of general law with respect to primary and general elections, so far as applicable, shall govern the method of nominating and electing the Mayor and members of Council whose terms of office shall be concurrent and run for a period of four years provided that, the terms of office for the Mayor and members of Council elected in the 1997 general election shall run for a period of three years and six months commencing on the first day of July, 1997, and ending on the thirty-first day of December, 2000, and said term shall constitute a full term of office. All subsequent terms of office for the Mayor and members of Council shall run for a period of four years. *Amended by ordinance 9/13/93 (Further amended 1996 General Election Cabell County; effective date: January 1, 1997)

SECTION 11.2: MUNICIPAL EXECUTIVE COMMITTEES

Each Municipal Executive Committee shall be composed of those members of the County Executive Committees of Cabell and Wayne counties whose geographical jurisdiction, as county executive committee members, includes areas of the City. Municipal Executive Committee members shall serve for terms concurrent with their respective terms as county executive committee members.

SECTION 11.3: POWERS AND DUTIES

Municipal Executive Committees shall be governed by Chapter 8, Article 5, Section 14, of the Official Code of West Virginia and shall have all powers and duties prescribed by said law, this Charter and ordinance in conformity therewith.

SECTION 11.4: PRIMARY ELECTIONS; TIME, PLACE AND CERTIFICATIONS OF CANDIDACY

Except as otherwise provided herein concerning the first officers to be elected under this Charter, primary elections shall be held at the voting places in each of the election districts of the City for the purpose of nominating candidates for the office of Mayor and all Council members for the next general election on the first Tuesday in April in the year 1989 and on such day in each fourth year thereafter, provided that, beginning in the year 2000, the primary election shall be held on the same day in said year as the primary election for the State of West Virginia and the County of Cabell, and on such day in each fourth year thereafter. Any eligible person desiring nomination for any municipal elected office to be filled at such election shall file with the City Clerk a certificate declaring himself or herself to be a candidate for the nomination for office, together with payment of the filing fee as hereinafter prescribed, which certificate and filing fee must be received by the City Clerk after midnight on the first day of January next preceding the primary election day or if mailed, shall be postmarked after that hour and before midnight on the thirty-first day of January next preceding the primary election day or if mailed, shall be postmarked before that hour and which certificate shall be in form or effect as follows:

"CERTIFICATE OF CANDIDACY

I, _____, hereby certify that I am a candidate for the nomination for and election to the office of _____to represent the ____district or city at-large (circle one), and the ____political party. I desire my name printed on the official ballot to be voted at the primary election to be held on the____day of April, 19__. I hereby certify that I am a legally qualified elector of the City of Huntington, _____ County, West Virginia; that my residence is located at _____ in said City; that I am eligible to hold the said office; and that I am a candidate for said office in good faith.

CANDIDATE SIGNATURE

PRINT NAME

Signed and acknowledged before me this ____day of _____, 19__.

Notary Public in and for Cabell or Wayne Counties, West Virginia, (or some other officer qualified to ad minister oaths)"

Every person who becomes a candidate in any such primary election shall, at the time of filing such certificate of candidacy, pay a filing fee as follows: a candidate for Mayor shall pay a fee of Two Hundred Fifty Dollars; a candidate for Council member shall pay a fee of Sixty Dollars. Council may, by ordinance, change the filing fees specified herein. No person shall file more than one Certificate of Candidacy in any primary election.

* Amended by ordinance 9/13/93 (Further amended, 1996 General Election Cabell County; effective date: January 1, 1997)

SECTION 11.5: GENERAL ELECTIONS; TIME AND PLACE

Except as otherwise provided herein concerning the election of the first officers to be elected under this Charter, general elections for the offices of Mayor and all Council members shall be held on the first Tuesday in June in the year 1989 and on such day in each fourth year thereafter. The officers elected thereat shall assume office on the first day of July of the year in which such general election is held with their terms to expire as soon as their successors have been elected and qualified. Beginning in the year 2000, general elections for the offices of Mayor and all Council members shall be held on the Tuesday next after the first Monday in November of such year.

and on such day in each fourth year thereafter. The officers elected thereat shall assume office on the first day of January of the year next after such general election is held with their terms of office to expire as soon as their successors have been elected and qualified. * Amended by ordinance 9/13/93 (Further amended, 1996 General Election Cabell County; effective date: January 1, 1997)

SECTION 11.6: FIRST OFFICERS UNDER THIS CHARTER; NOMINATIONS, ELECTION AND TERMS

The first primary municipal election under this Charter shall be held on Tuesday, September 10, 1985, and the first general municipal election shall be held on Tuesday, November 5, 1985, to elect a Mayor and all Council members provided for under this Charter, whose terms shall begin on January 1, 1986, and expire as soon as their successors have been elected and qualified. The certificates of candidacy for such first primary municipal election shall be filed after midnight July 1, 1985, and before midnight on July 31, 1985, or if mailed, postmarked after midnight July 1, 1985, and before midnight July 31, 1985. The dates of all subsequent primary and general elections and filings of certificates of candidacy shall be governed by the provision of Sections 11.1, 11.4 and 11.5 of this Charter. * Amended by ordinance 9/13/93 (Frther amended, 1996 General election Cabell County; effective date: January 1, 1997)

SECTION 11.7: MAJORITY VOTE REQUIRED

No candidate for office shall be declared elected to any office under this Charter without having received as a candidate in the immediately preceding general election a majority of the votes cast for that particular office; provided, however, nothing herein shall apply to candidates for the office of at-large Council member.

SECTION 11.8: DETERMINATION OF ELECTION RESULTS

Every qualified elector shall be entitled to vote for one candidate for the office of Mayor, one candidate for the office of district Council member to represent the district in which the qualified elector resides and two candidates for the office of at-large Council member. No person shall be elected to city office without being nominated in the manner provided herein at a partisan primary election to be held at the times and places specified in Sections 11.5 and 11.7 of this Charter. Immediately upon expiration of the time for filing Certificates of Candidacy as required by Sections 11.5 and 11.7 of this Charter, he City Clerk shall cause to be published in a newspaper having general rculation in the City the names of the candidates as they will

appear on the ballot for the primary election. Names of the candidates for each nomination shall be placed on the ballot and in addition to the requirements of Section 11.10 of this Charter, the ballot shall contain instructions to vote for one nominee or candidate, except where the offices to be filled are for Council members at-large, in which case the instructions shall inform the voter to vote for two nominees or candidates. Votes shall be counted as provided by general election law. In primary elections, the candidates representing each political party and receiving the highest number of votes for nomination for Mayor and each district Council member office shall be nominated. As to the offices of at-large Council members in primary elections, the candidates representing each political party and receiving the highest and next highest number of votes with no more than one residing in any one of the municipal election districts set out in Section 3.3 of this Charter shall be nominated. In general elections the names of the successful nominees shall be placed on the ballot. In the general election, the nominee receiving the highest number of votes for election to the offices of Mayor and each district Council member office shall be elected. As to the offices of at-large Council members in general elections, the two nominees receiving the highest and next highest number of votes with no more than one residing in any one of the municipal election districts set out in Section 3.3 of this Charter shall be elected to the offices of Council member at-large.

SECTION 11.9: BALLOTS FOR MUNICIPAL ELECTIONS

The ballot to be used in all municipal elections shall contain the names of all candidates, specify their respective residence address and the election district wherein such residence is located together with their political party affiliation, unless such candidate is independent from any political party, in which case the ballot shall so state. The order in which names of nominees and candidates appear on the ballot shall be determined by drawing of lot. The City Clerk shall conduct said drawing in accordance with the requirements o general law. It shall be the duty of the City Clerk to prepare the ballot for a regular and special municipal elections in accordance with the provisions c general law and not less than ten days prior to any election, the City Clerk sha cause a sample ballot to be published in a newspaper having general circulatic in the City

SECTION 11.10: APPOINTMENT OF ELECTION OFFICIALS

It shall be the duty of the Municipal Executive Committees to nominate qualified electors to serve as precinct election officials during a municipal election and the Municipal Executive Committees shall publicly encourage qualified electors to apply for nomination. The Municipal Executive Committees shall submit their nominations to Council not less than thirty days prior to the election in which the election officials are to serve. After determining that the qualified electors nominated by the Municipal Executive Committees possess the qualifications set forth by the general election laws of the State of West Virginia and not less than twenty days prior to the election in which the election officials are to serve, Council shall appoint the qualified persons nominated by the Municipal Executive Committees to serve as election officials in said election. In the event Council shall determine that any person nominated by the election commission is not qualified to serve as an election official or in the event any person appointed by Council shall refuse to serve as an election official, Council shall proceed to fill the vacancy at the earliest possible time by the same procedure.

SECTION 11.11: ELECTION OFFICIALS; COMPENSATION

A uniform election board consisting of three commissioners and two clerks, shall be appointed as aforesaid to serve in each voting precinct of the City during a municipal election. Each election board shall be composed of one clerk representing each political party and at least one commissioner representing each political party. By resolution adopted not less than forty-five days prior to each election, Council shall determine the compensation to be paid to the precinct commissioners and clerks, but in no event shall such compensation exceed the compensation payable under general law to precinct election officials serving during a general election of the State of West Virginia.

SECTION 11.12: REGISTRATION RECORDS, RETURN OF BALLOTS AND SUPPLIES, CANVASSING RETURNS, ELECTION CONTESTS

At least three days before a municipal election, the City Clerk shall procure from the Clerk of the County Commissions of Cabell and Wayne counties the necessary registration records and shall deliver them, together with all ballots and other election supplies, to the election official in each precinct designated by Council. The election officials shall, as soon as possible after

the closing of the polls, return to the City Clerk the ballots, tally sheets, certificates of the result of the election, registration records, poll books, ballot boxes and any other election supplies. On the first Monday following the election, Council shall canvass the returns of the election and declare and certify the result within five days thereafter. In case of a contest, Council shall be judge of the election, nomination and qualification of all candidates. Notwithstanding the foregoing, Council may, by resolution, contract with the County Commissions of Cabell and Wayne counties or the Clerks thereof, to furnish, distribute, receive and store the ballots and other election supplies, or any part thereof, and to provide facilities for the canvassing of ballots.

SECTION 11.13: USE OF VOTING DEVICES

In addition to any other requirements for the conduct of municipal elections, Council shall contract with the County Commissions of Cabell and Wayne counties for the use, in all municipal elections, of any electronic, mechanical or other voting devices available to, owned by or used by such counties for the conduct of county, state and national elections.

SECTION 11.14: REGULATIONS OF ELECTIONS

Council shall make regulations which it considers needful or desirable, not inconsistent with this Charter, for the proper conduct of municipal elections and for the prevention of fraud in such elections.

SECTION 11.15: QUALIFIED ELECTOR DEFINED

The term "qualified elector" as used in this Charter shall mean a citizen having the qualifications required by general law to vote in the City and who is at that time registered to vote.

ARTICLE TWELVE
INITIATIVE, REFERENDUM AND RECALL

SECTION 12.1: INITIATIVE

Qualified electors of the City shall have power to propose ordinances to Council and if Council fails to adopt an ordinance so proposed without a change in substance, to adopt or reject it at a City election; provided, however such power shall not extend to the budget, capital program or any ordinance relating to appropriation of money, levy of taxes or salaries of City officers employees.

SECTION 12.2: REFERENDUM

Qualified electors of the City shall have power to require reconsideration by Council of any adopted ordinance and if Council fails to repeal an ordinance so reconsidered, to approve or reject it at a City election; provided, however, such power shall not extend to the budget, capital program or any ordinance relating to appropriation of money, levy of taxes or salaries of City officers or employees.

SECTION 12.3: PETITIONS

Initiative and referendum petitions must be signed by qualified electors of the City equal in number to at least ten percent of the total number of qualified electors at the last general municipal election. All papers of a petition shall be uniform in size and style and shall be assembled as one instrument for filing. Each signature shall be executed in ink or indelible pencil in the handwriting of the signer and shall be followed by the address of the person signing. Petitions shall contain or have attached thereto throughout their circulation, the full text of the ordinance proposed and shall cite by title the ordinance sought to be reconsidered. Each paper of a petition shall have attached to it when filed an affidavit executed by the circulator thereof stating that he or she personally circulated the paper, the number of signatures thereon, that all the signatures were affixed in his or her presence, that he or she believes them to be the genuine signatures of the persons whose names they purport to be and that each signer had an opportunity before signing to read the full text of the ordinance proposed or sought to be reconsidered. Except as may be otherwise provided by general law, referendum petitions must be filed within thirty days after adoption by Council of the ordinance sought to be reconsidered.

SECTION 12.4: PROCEDURE

There shall appear on all petitions the names and addresses of three qualified electors who, as a committee of the petitioners, shall be regarded as responsible for the circulation and filing of the petition. Any one of the three qualified electors or an attorney-at-law acting on their behalf, may file such petitions by delivering the assembled instrument to the City Clerk together with a designation of one address, of one such elector or the attorney-at-law, to which all notices are to be sent and setting out in full the proposed initiative ordinance or citing by title the ordinance sought to be reconsidered. Within twenty days after the petition is filed, the City Clerk shall complete a certificate as to its sufficiency, specifying, if it is insufficient, the particulars wherein it is defective and shall promptly send a copy of the certificate to the petitioners' committee at the address so provided, by certified mail. A petition certified insufficient may be

amended once if the petitioners' committee files a notice of intention to amend with the City Clerk within two days after receiving the copy of his or her certificate and files a supplemental petition upon additional papers within ten days after receiving the copy of such certificate. Such supplemental petition shall comply with the requirements of Section 12.3 and within five days after it is filed, the City Clerk shall complete a certificate as to the sufficiency of the petition as amended and promptly send a copy of such certificate to the designated individual by certified mail as in the case of an original petition. If a petition or amended petition is certified sufficient or if a petition or amended petition is certified insufficient and the petitions' committee does not elect to amend or request Council review under this section within the time required, the City Clerk shall promptly present his or her certificate to Council and the certificate shall then be a final determination as to the sufficiency of the petition. If a petition has been certified insufficient and the petitioners' committee does not file notice of intention to amend or if an amended petition has been certified insufficient the committee may, within two days after receiving the copy of such certificate, file with the City Clerk a request that it be reviewed by Council. Council shall review the certificate at its next meeting following the filing of such request and approve or disapprove it and Council's determination shall then be a final determination as to the sufficiency of the petition. A final determination as to the sufficiency of a petition shall nevertheless be subject to judicial review. Whenever required, the burden of proof shall be on the City Clerk to establish the insufficiency of any petition. A final determination of insufficiency, even if sustained upon judicial review, shall not prejudice the filing of a new petition for the same purpose, except in the case of referendum when the applicable time limit has expired.

SECTION 12.5: REFERENDUM PETITIONS; SUSPENSION OF EFFECT OF ORDINANCE

When a referendum petition is timely filed with the City Clerk, the ordinance sought to be reconsidered shall be suspended from taking effect. Such suspension shall terminate when there is a final determination of insufficiency of the petition, the petitioners' committee withdraws the petition, Council repeals the ordinance or upon final certification of the results of the City election favoring the ordinance sought to be repealed.

SECTION 12.6: ACTION ON PETITIONS

When an initiative or referendum petition has been finally determined sufficient, Council shall promptly consider the proposed initiative ordinance in the manner provided for the enactment of ordinances or reconsider the referred ordinance by voting its repeal. If Council fails to adopt a proposed initiative ordinance without any change in substance within sixty days or fails to repeal the referred ordinance within thirty days after the date the petition was finally determined sufficient, it shall submit the proposed or referred ordinance to the electors of the City. The election on a proposed or referred ordinance shall be held not less than thirty days and not later than one year from the date of the final Council vote thereon. If no regular City election is to be held within the period prescribed in this section, Council shall provide for a special election. Otherwise, the vote shall be held at the same time as such regular election, except that Council may provide for a special election at an earlier date within the prescribed period. Copies of the proposed or referred ordinance shall be made available at the polls.

SECTION 12.7: RESULTS OF ELECTION

If a majority of the qualified electors voting on a proposed initiative ordinance vote in its favor, it shall be considered adopted upon certification of the election results and shall be treated in all respects in the same manner as ordinances adopted by Council. If conflicting ordinances are approved at the same election, the one receiving the greatest number of affirmative votes shall prevail to the extent of such conflict. If a majority of the qualified electors voting on a referred ordinance vote against it, it shall be considered repealed upon certification of the election results.

SECTION 12.8: POWER OF RECALL

Qualified electors, authorized to vote for the particular office, shall have the power to recall the Mayor or any member of Council whether elected by popular vote or selected to fill a vacancy and may exercise such power by filing with the City Clerk a petition signed by qualified electors, authorized to vote for the particular office, equal in number to at least twenty percent of the total number of qualified electors, authorized to vote for the particular office, at the last general municipal election. The petition shall meet the applicable requirements of Section 12.3 and 12.4 of this Charter, shall contain a demand for the removal of the subject officer or officers and shall contain a general statement of the reasons for which the removal is sought.

ECTION 12.9: ELECTION UNDER RECALL PETITION

If the petition is certified sufficient in accordance with the applicable requirements set out in Section 12.3 and 12.4 of this Charter, Council shall cause a special election to be held not less than thirty days nor more than ninety days from the date of such certification, unless a general municipal election shall occur within one hundred twenty days from such date. The published notice of such election shall contain the reasons for demanding the recall in not more than two hundred words and a justification by the subject officer within the same limits; provided, however, if the petition seeks to recall more than one officer, each may provide a justification of not more than two hundred words. Ballots shall be in the following form:

"Shall _____ be removed
(from Council) (as Mayor) of the City of
Huntington?
__ For the recall of _____
__ Against the recall of _____.

Upon certification of the results of the election, if a majority of those voting o the question have favored recall, the office of the individual so recalled shall b vacant.

SECTION 12.10: FILLING VACANCY CAUSED BY RECALL

When a vacancy occurs as the result of a recall election or when officer resigns after a recall petition certified by the City Clerk to be sufficie is presented to Council, the vacancy shall be filled in accordance with provisions of this Charter relating to the filling of vacancies in the respect office involved.

SECTION 12.11: LIMITATIONS ON RECALL

No recall petition shall be filed against any officer within six mor after he or she takes office nor within six months prior to the end of his or term. No officer shall be subjected to more than one recall election during a t of office.

ARTICLE THIRTEEN
SUCCESSION IN GOVERNMENT

SECTION 13.1: INTERIM CHIEF EXECUTIVE OFFICER

On and after the effective date of this Charter, the City Manager, as heretofore constituted, shall exercise such powers and duties as are given the chief executive by this Charter. The City Manager shall so serve until the first Mayor under this Charter shall have been elected and qualified, at which time his or her appointment and office shall terminate.

SECTION 13.2: CONTINUITY OF ADMINISTRATIVE PERSONNEL AND OFFICES

All persons holding other administrative positions in City government at the time this Charter takes effect shall continue in such position and in the performance of their duties until dismissed or removed by the Mayor or other empowered authority. The powers conferred and the duties imposed upon any office, department or agency of the City by general law shall, if such office, department or agency is abolished by this Charter or under its authority, be thereafter exercised and discharged by the office, department or agency designated by Council, unless otherwise provided in this Charter.

SECTION 13.3: CONTINUITY OF GOVERNING BODY

On and after the effective date of this Charter, the members of Council, as heretofore constituted, shall exercise such powers and duties as are given to Council by this Charter generally, and for conducting the first election for Mayor and members of Council as set out in Article Eleven of this Charter. Such Council shall so serve until members of the first Council under this Charter shall have been elected and qualified, at which time their terms of office shall terminate.

SECTION 13.4: CONTINUITY OF OFFICES, DEPARTMENTS, DIVISIONS, AGENCIES OR BOARDS

Any other office, department, division agency or board provided in this Charter with a name or with powers and duties the same or substantially in same as those of an office, department, division, agency or board heretofore existing shall be deemed to be a continuation of such heretofore existing office, department, division, agency or board until changed by competent authority.

Any provision in any law, rule, regulation, contract, grant or other document relating to such heretofore existing office, department, division, agency or board shall, so far as not inconsistent with the provisions of this Charter, apply to such office, department, division, agency or board provided for by this Charter.

SECTION 13.5: TRANSFER OF RECORDS AND PROPERTY

All records, property and equipment whatsoever of any office, department, division, agency, board or part thereof, all the powers and duties of which are assigned to any other office, department, division, agency or board by this Charter, shall be transferred and delivered to the office, department, division, agency or board to which such powers are so assigned. If part of the powers and duties of any office, department, division, agency, board or part thereof are by this Charter assigned to another office, department, division, agency or board, all records, property and equipment relating exclusively thereto shall be transferred and delivered to the office, department, division, agency or board to which such powers and duties are so assigned.

SECTION 13.6: SUCCESSION IN INTEREST; PENDING ACTIONS AND PROCEEDINGS

The City of Huntington, as successor in interest to the present municipa corporation of the same name, shall succeed to, own, possess and enjoy al property and all right, title and interest of every kind and nature vested in o belonging to such municipal corporation at the time this Charter become effective. No action or proceeding, civil or criminal, pending at the time thi Charter takes effect, brought by or against the City or any office, departmen division, agency, board or officer thereof, shall be affected by the adoption c this Charter or by anything herein contained. No such action or proceeding sha abate by reason of the fact that functions, powers and duties of any offic department, division, agency, board or officer party thereto may under th Charter be assigned or transferred to another office, department, divisio agency, board or officer, but in that event, the same may be prosecuted defended by the head of the office, department, division, agency or board which such functions, powers and duties have been assigned or transferr under this Charter.

SECTION 13.7: EFFECT ON EXISTING LAW

All existing ordinances and resolutions, administrative rules, regu tions and practices, if not inconsistent or in conflict with this Charter, sh continue in full force and effect until repealed or modified by compet authority. All ordinances, resolutions, administrative rules, regulations an

practices that are inconsistent or in conflict with this Charter shall, unless sooner repealed or modified, continue in full force and effect for a period of sixty days and at the end of that period shall, to the extent of such inconsistency or conflict, be of no further force or effect.

ARTICLE FOURTEEN
GENERAL PROVISIONS

SECTION 14.1: CHIEF OF POLICE

The Chief of Police shall be appointed by the Mayor with the approval of Council to serve at the will and pleasure of the Mayor. The Chief of Police shall be a person of proven administrative ability with experience and training in law enforcement. Subject to the direction and supervision of the Mayor, the Chief of Police shall be responsible for the supervision and administration of the Police Department and shall require of all police officers the proper discharge of their duties. He or she shall see to the protection of property and the preservation of peace, order and public safety throughout the City and shall cause all violators of City ordinances and of general law to be apprehended and brought to trial before the Municipal Court or other proper tribunal. Under the direction and supervision of the Mayor, the Chief of Police shall also perform such other duties as may be required of him or her by this Charter, ordinance or general law.

SECTION 14.2: CHIEF OF FIRE DEPARTMENT

The Chief of the Fire Department shall be appointed by the Mayor with the approval of Council to serve at the will and pleasure of the Mayor. The Chief of the Fire Department shall be a person of proven administrativeability with experience and training in the suppression and prevention of fires. Subject to the direction and supervision of the Mayor, the Chief of the Fire Department
shall be responsible for the supervision and administrationof the Fire Department and shall require of all firemen the proper discharge of their duties. He or she shall make such inspections of buildings and property throughout the City as may be necessary to discover fire hazards and shall take all proper measures to eliminate such hazards and shall keep an accurate record of all fires, inspections and fire hazards within the City. Under the direction and supervision of the Mayor, the Chief of the Fire Department shall also perform such other duties as may be required of him or her by this Charter, ordinance r general law.

SECTION 14.3: RESIDENCY REQUIREMENT

Any person employed or appointed under this Charter shall be a resident of the City of Huntington at the time they are employed or appointed or shall become a resident of the City of Huntington within ninety days from their employment or appointment and shall remain a resident of the City of Huntington during their respective tenure in office or period of employment. There shall be no exception or waiver of the requirements contained in this section and any violation of any requirement contained herein shall result in termination of employment and a vacancy in the respective office or position. The Mayor shall be charged with enforcement of this section. (Amended by Ordinance 5/8/89) CLERK'S NOTE: The residency requirement provided for in this section was modified by Orders of the Circuit Court of Cabell County, West Virginia entered on September 29, 1994 and November 4, 1994 in the case of Steven Ellis, et al. v. The City of Huntington, et al. -- Circuit Court of Cabell County, West Virginia -- Civil Action No. 93-C-2443 (1994). The Court's Orders supersede and take precedence over the provisions of this section and should be read and applied in lieu thereof. Copies of the Court's Orders are on file in the Office of th City Clerk and available for inspection and copying during regular business hours Monday through Friday.

SECTION 14.4: RESIDENT DEFINED

As used in this Charter, the term "resident" shall mean any individual who maintains a usual and bona fide place of abode within the corporate limits of the City of Huntington or within th boundaries of the territory referred to in this Charter, as the context ma require, together with the intent to maintain said usual and bona fide place c abode for an indefinite period of time in the future.

SECTION 14.5: BONDS

Before entering the duties of their office, each member of Council, t Mayor, the City Clerk, each member of the Election Commission and ea Director or Chief of a City office, department, division or agency and such oth personnel as Council may require, shall give bond for the faithful performan of their duties, payable to the City of Huntington, in such amounts and w such corporate surety as may be approved by Council. Council may provi for obtaining a blanket bond covering all City officers and employees, design ing specific officers or employees whose bond shall be in excess of the amou of the blanket bond. The premiums on such bond or bonds shall be paid by City after it has been ascertained that the premiums are not in excess of th

schedule filed by the bonding company with the Commissioner of Insurance of West Virginia. All bonds shall be subject to approval by the City Attorney as to form and substance and when so approved, shall be endorsed with his or her signature.

SECTION 14.6: SEPARABILITY CLAUSE

If any article, section, subsection, paragraph, sentence, clause or word of this Charter is for any reason held invalid or unconstitutional, such holding shall not affect the validity, constitutionality or application of any other portion of this Charter.

SECTION 14.7: REFERENCE TO LAW

A reference contained in this Charter to the Official Code of West Virginia or a provision thereof, to any constitution, or a provision thereof or to general law shall be construed to mean the respective law as it exists on the effective date of this Charter or as it may thereafter be amended. Where additional parts are added to the subject matter of such law referred to in this Charter, the reference shall include such additional parts.

SECTION 14.8: SATURDAYS, SUNDAYS AND LEGAL HOLIDAYS

Whenever the provisions of this Charter or any ordinance, rule, administrative regulation or order pursuant thereto, require that a meeting be held or that an act be done on any particular day of the month or within any period of time prescribed or allowed, if that day or the last day occurs on a Saturday, Sunday or legal holiday, the following day which is not a Saturday, Sunday or legal holiday shall be deemed to be the one intended.

SECTION 14.9: LOSS OF QUALIFICATION BY OFFICER OR EMPLOYEE; VACANCY CREATED

In the event that any officer or employee of the City shall, subsequent to his or her election, appointment or employment, cease to possess any of the requisite qualifications provided for his or her office or position, there shall thereupon exist a vacancy in such office or position, to be filled pursuant to this Charter or other applicable law.

SECTION 14.10: CONFLICT OF INTEREST

Any City officer or employee who has a substantial financial interes direct, indirect or by reason of ownership of stock in any corporation, in ar contract with the City or in the sale of any land, material, supplies or services the City or to any contractor supplying the City, shall make known that intere to the Mayor and Council and shall refrain from voting upon or otherwi participating in his or her capacity as a City officer or employee in the maki of such sale or in the making or performance of such contract. Any City offic or employee who willfully conceals such a substantial financial interest willfully violates the requirements of this section shall be guilty of malfeasan in office or position and shall forfeit his or her office or position. Violation of t section with the knowledge, express or implied, of the person or corporati contracting with or making a sale to the City shall render the contract or sale voidable by the Mayor or Council. A "substantial financ interest" as used herein, shall be deemed to be an interest amounting to mo than five percent of the particular business enterprise or contract.

SECTION 14.11: CENTRAL GARAGE AND MOTOR POOL

There shall be a central garage and motor pool wherein all automob and other vehicles owned by the City shall be registered, stored and control when not in use or on assignment and from which the head of any off department, division, board, commission or agency shall requisition the us any such automobile or other vehicle as may be required in the performanc his or her duties. The Mayor or his or her designee shall establish and promul such rules and regulations respecting such facility as to effect the grea possible economy and efficiency in its operation. No vehicles shall be per nently assigned to any office, department, division, board, agency or indivi thereof without prior approval by Council; provided, however, such appr by Council shall not be required of any vehicle assigned to the police or departments. Notwithstanding any provision contained herein, no City owned vehicle shall be taken beyond the corporate limits of the except in the performance of authorized official city business.

SECTION 14.12: PUBLIC ACCESSIBILITY OF RECORDS

All records and documents of every office, department, divi board, commission or agency of the City shall be open to inspection by citizen, representative of a civic organization or representative of the press reasonable times and under reasonable regulations established by Co provided, however, records and documents authorized to be excluded Chapter 29B, Article 1, of the Official Code of West Virginia or other appl law shall not be subject to the requirements of this section.

SECTION 14.13: SALARY LIMITATION

No officer or employee of the City shall be entitled to receive compensation for more than one position in City government even though he or she performs the duties of two or more positions therein.

SECTION 14.14: OATH, QUALIFICATION

Before entering the duties of their office, each member of Council, the Mayor, the City Clerk, each member of the Election Commission and each Director or Chief of a City office, department, division or agency and such other personnel as Council may require, shall take and subscribe to the following oath or affirmation to be filed and kept in the office of the City Clerk:

"I, _____, solemnly swear (or affirm) that I will support the constitution of the United States of America and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, ordinances, resolutions, regulations and rules of the City of Huntington, and will faithfully discharge the duties of _____ to the best of my skill and judgment." When such officer or employee shall have taken and filed such oath with the City Clerk and shall have given such bond as may be required, he or she shall be considered as having qualified for the position to which he or she was elected, appointed or hired; provided, however, if any person so elected, appointed or hired shall not qualify in the manner herein prescribed within fifteen days after he or she shall have been officially declared elected, appointed or hired, said office or position shall by reason thereof, become vacant.

SECTION 14.15: AUTHORITY TO CONVEY

Except as otherwise provided by general law, Council may authorize the Mayor or other officer of the City to execute all deeds, conveyances and other instruments on behalf of the City of Huntington and such person shall have authority to execute such instruments in the name of the City of Huntington.

SECTION 14.16: ARTICLE AND SECTION TITLES

The article and section titles or headings in this Charter are intended for convenience only and shall be construed as mere "catchwords" to indicate the content of the article or section and shall not be deemed or taken to be a part of the article or section.

SECTION 14.17: GENERAL ATTENDANCE REQUIREMENT

In addition to any attendance requirement contained in this Charter if a member of any agency, board or commission authorized or created pursuant to this Charter or delegated authority by other law, absents himself or herself from forty or more percent of the regularly scheduled meetings of said agency, board or commission in any twelve month period, his or her office position or appointment shall become vacant and such vacancy shall be filled according to applicable law.

SECTION 14.18: EFFECTIVE DATE

This Charter shall become effective July 1, 1985.

SECTION 14.19: WHEN VACANCY CREATED

(Repeal and renumber subsequent sections)

(NEW) SECTION 14.19 AMENDMENTS

This Charter may be amended as provided in Chapter 8 of the Official Code of West Virginia, as amended, as therein provided. (Amended by Ordinance 5/8/89)

APPENDIX "A"

to the

CHARTER of the CITY OF HUNTINGTON

The nine municipal election districts shall be as follows: District One shall be composed of precinct numbers one and four of Cabell County, West Virginia, together with precinct numbers fifty-nine, sixty, and sixty-one of Wayne County, West Virginia, with a total population of Six Thousand Six Hundred; District Two shall be composed of precinct numbers two, three, five, six, seven and ten of Cabell County with a total population of Five Thousand Eight Hundred Ninety-Four; District Three shall be composed of precinct numbers eleven, twelve, thirteen, and fourteen of Cabell County with a total population of Six Thousand Five Hundred Five; District Four shall be composed of precinct numbers eight, nine, twenty-five, twenty-nine, thirty, thirty-five, and thirty-six of Cabell County with a total population of Six Thousand Three; District Five shall be composed of precinct numbers twenty-six, twenty-seven, twenty-eight, thirty-one, thirty-two, thirty-three, and thirty-four of Cabell County with a total population of Five Thousand Nine Hundred Twelve; District Six shall be composed of precinct numbers thirty-seven, forty-three, forty-five, forty-six, forty-seven, forty-eight and forty-nine of Cabell County with a total population of Six Thousand Four Hundred Ten; District Seven shall be composed of precinct numbers thirty-eight, thirty-nine, forty, forty-one, forty-two, and forty-four of Cabell County with a total population of Six Thousand Three Hundred Ninety-Six; District Eight shall be composed of precinct numbers fifteen, sixteen, seventeen, eighteen, nineteen and twenty of Cabell County with a total population of Five Thosand Four Hundred Ninety-Three; District Nine shall be composed of precinct numbers twenty-one, twenty-two, twenty-three, twenty-four and fifty of Cabell County with a total population of Five Thousand Eight Hundred Three.

CERTIFICATE

In witness of the completion and adoption of the final draft of the proposed Charter for the City of Huntington by the Huntington Charter Board after the conclusion of Board meetings and consideration of changes and revisions deemed necessary or desirable by the board and public, after a public hearing, duly held and completed, the undersigned members of the Huntington Charter Board have hereunto signed their names, this 25 day of March 1985.

HUNTINGTON CHARTER BOARD

Charles Polan, Jr., Chairman

Stephen Christian, Vice-Chairman

Tom McCallister, Secretary

Peter Barr, Member

Garry Black, Member

Charles Dodrill, Member

Carol Hughes, Member

Michael Hansour, Member

William Newcomb, Member

Nathaniel Ruffin, Member

Thomas Scott, Member

CERTIFICATE

In witness of the completion and adoption of the final draft of the proposed Charter for the City of Huntington by the Huntington Charter Board after the conclusion of Board meetings and consideration of changes and revisions deemed necessary or desirable by the Board and public, after a public hearing, duly held and completed, the Huntington Charter Board has authorized its Secretary to execute this Certificate in witness thereof and in complicance with Charpter 8, Article 3, section 3, of the Official Code of West Virginia, as amended, this 26 day of March, 1985.

HUNTINGTON CHARTER BOARD

Peter Barr
Garry Black
Stephen Christian
Charles Dodrill
Carol Hughes
Michael Mansour
Tom McCallister
William Newcomb
Charles Polan, Jr.
Nathaniel Ruffin
Thomas Scott

By: Tom McCallister

Its: Secretary

CERTIFICATE OF THE ATTORNEY GENERAL

The Attorney General of the State of West Virginia hereby certifies that the Proposed Charter for the City of Huntington, West Virginia, which was approved and adopted by the Huntington Charter Board on the 26th day of March, 1985, a complete copy of which was received by the aforesaid Attorney General on the 28th day of March, 1985, is consistent in all respects with the Constitution and general law of the State of West Virginia.

Given under my hand this 28th day of March, 1985.

CHARLIE BROWN
ATTORNEY GENERAL

By: Gene W. Bailey
GENE W. BAILEY, Esq.
Assistant Attorney General

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came KIM WOLFE who, being by the undersigned authority first duly sworn upon oath says the following:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of MAYOR for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: Kim Wolfe

Taken, subscribed and sworn to before me this 23 day of December, 2008.

Barbara E. Nelson
NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the 3rd day of May, 2012.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BARBARA E. NELSON
CITY OF HUNTINGTON
800 FIFTH AVENUE
HUNTINGTON, WV 25701
My commission expires May 3, 2012

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came RUSSELL 'RUSS' HOUCK who, being by the undersigned authority first duly sworn upon oath says the following:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of CITY COUNCIL REPRESENTATIVE for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: Russell Houck

Taken, subscribed and sworn to before me this 2nd day of January, 2008.

Kathryn A. Torlone

NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the 18th day of November, 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHRYN A. TORLONE
CITY OF HUNTINGTON
800 FIFTH AVENUE
HUNTINGTON, WV 25701
My commission expires November 18, 2013

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came REBECCA THACKER who, being by the undersigned authority first duly sworn upon oath says the following:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of CITY COUNCIL REPRESENTATIVE for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: Rebecca Thacker

Taken, subscribed and sworn to before me this 2nd day of January, 2008.

Kathryn A. Torlone

NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the 18th day of November, 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHRYN A. TORLONE
CITY OF HUNTINGTON
800 FIFTH AVENUE
HUNTINGTON, WV 25701
My commission expires November 18, 2013

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came MARK BATES who, being by the undersigned authority first duly sworn upon oath says the following:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of CITY COUNCIL REPRESENTATIVE for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: MARK A BATES

Taken, subscribed and sworn to before me this 5th day of January, 2008.

Kathryn A. Torlone

NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the 18th day of November, 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHRYN A. TORLONE
CITY OF HUNTINGTON
800 FIFTH AVENUE
HUNTINGTON, WV 25701
My commission expires November 18, 2013

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came FRANCES JACKSON who, being by the undersigned authority first duly sworn upon oath says the following:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of CITY COUNCIL REPRESENTATIVE for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: Frances Jackson

Taken, subscribed and sworn to before me this 18th day of November, 2008.

Kathryn A. Torlone

NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the 18th day of November, 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHRYN A. TORLONE
CITY OF HUNTINGTON
800 FIFTH AVENUE
HUNTINGTON, WV 25701
My commission expires November 18, 2013

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came SCOTT CASERTA who, being by the undersigned authority first duly sworn upon oath says the following:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of CITY COUNCIL REPRESENTATIVE for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: _____

Taken, subscribed and sworn to before me this 2nd day of January, 2008.

_____
NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the 18th day of November, 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHRYN A. TORLONE
CITY OF HUNTINGTON
800 FIFTH AVENUE
HUNTINGTON, WV 25701
My commission expires November 18, 2013

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came TERESA LOUDERMILK who, being by the undersigned authority first duly sworn upon oath says the following:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of CITY COUNCIL REPRESENTATIVE for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: Teresa Loudermilk

Taken, subscribed and sworn to before me this 18th day of November, 2008.

Kathryn A. Torlone

NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the 18th day of November, 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHRYN A. TORLONE
CITY OF HUNTINGTON
800 FIFTH AVENUE
HUNTINGTON, WV 25701
My commission expires November 18, 2013

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came SANDRA CLEMENTS who, being by the undersigned authority first duly sworn upon oath says the following:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of CITY COUNCIL REPRESENTATIVE for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: Sandra M. Clements

Taken, subscribed and sworn to before me this 2nd day of January, 2008.

Kathryn A. Torlone
NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the 18th day of November, 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHRYN A. TORLONE
CITY OF HUNTINGTON
800 FIFTH AVENUE
HUNTINGTON, WV 25701
My commission expires November 18, 2013

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came JAMES RITTER who, being by the undersigned authority first duly sworn upon oath says the following:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of CITY COUNCIL REPRESENTATIVE for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: James Ritter

Taken, subscribed and sworn to before me this 22nd day of January, 2008.

Kathryn A. Torlone
NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the 18th day of November, 2013.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHRYN A. TORLONE
CITY OF HUNTINGTON
800 FIFTH AVENUE
HUNTINGTON, WV 25701
My commission expires November 18, 2013

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came STEVE WILLIAMS who, being by the undersigned authority first duly sworn upon oath says the following:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of CITY COUNCIL REPRESENTATIVE for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: Steve Williams

Taken, subscribed and sworn to before me this 22 day of Dec, 2008.

Barbara E. Nelson
NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the 3 day of May, 2012.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BARBARA E. NELSON
CITY OF HUNTINGTON
800 FIFTH AVENUE
HUNTINGTON, WV 25701
My commission expires May 3, 2012

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came NATE RANDOLPH who, being by the undersigned authority first duly sworn upon oath says the following:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of CITY COUNCIL REPRESENTATIVE for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: _____

Taken, subscribed and sworn to before me this 23 day of Dec, 2008.

_____
NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the 3 day of May, 2012.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BARBARA E. NELSON
CITY OF HUNTINGTON
800 FIFTH AVENUE
HUNTINGTON, WV 25701
My commission expires May 3, 2012

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came JIM INSCO who, being by the undersigned authority first duly sworn upon oath says the following:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of CITY COUNCIL REPRESENTATIVE for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: _____

Taken, subscribed and sworn to before me this _____ day of _____, 2008.

_____
NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the _____ day of _____, 20____.

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came BARBARA E. NELSON who, being by the undersigned authority first duly sworn upon oath says the following:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of CITY CLERK for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: Barbara E Nelson

Taken, subscribed and sworn to before me this 1st day of January, 2003.

Kathryn A Sorlone
NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the 18th day of November, 2013.

AN ORDINANCE ESTABLISHING AND FIXING RATES,
FEES AND CHARGES OF THE MUNICIPAL SEWER SYSTEM
OF THE CITY OF HUNTINGTON, WEST VIRGINIA

WHEREAS, in order to meet its current operational requirements and the debt service associated with future proposed sewer system upgrade projects, the City of Huntington City Council has determined it is necessary to increase the City's current sewer rates, fees and charges for sewer service provided by its Sanitary Board which have been in effect since November 6, 2004; and,

WHEREAS, the increase in sewer rates will be implemented in two phases.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HUNTINGTON HEREBY ORDAINS: that the following increase in rates, fees and charges for sewer service provided by the Sanitary Board of the City of Huntington to its customers throughout its service territory, are hereby fixed and determined as rates, fees and charges to be charged in lieu of those rates, fees and charges contained in its sewer tariff, P.S.C. W.Va. No. 12, currently on file with the Public Service Commission of West Virginia:

SECTION 1. SCHEDULE OF RATES

PHASE I

THE FOLLOWING PHASE I RATES ARE TO BECOME EFFECTIVE FORTY-FIVE (45) DAYS AFTER THE ENACTMENT OF THIS ORDINANCE

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served except for the territory formerly served by Citco Water and Sewerage Company

AVAILABILITY OF SERVICE

Available for domestic, commercial and industrial sewer service (except unusual industrial waste)

RATES

Customer Charge			$2.86 per month
First	2,240	gallons of water used per month	$3.85 per 1,000 gallons
Next	12,720	gallons of water used per month	$3.80 per 1,000 gallons
Next	134,640	gallons of water used per month	$3.61 per 1,000 gallons
Next	7,330,000	gallons of water used per month	$3.50 per 1,000 gallons
All Over	7,480,000	gallons of water used per month	$1.62 per 1,000 gallons

FLAT RATE CHARGE (non metered water supply)
Equivalent of 4,500 gallons of water usage $20.07 per month.

MINIMUM CHARGE
No bill will be rendered for less than $2.86 per month which is the equivalent of the customer charge.

RETURNED CHECK CHARGE
A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DISCONNECT/RECONNECT /ADMINISTRATIVE FEES
Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with West Virginia American Water Company, a disconnection fee of $25.00 shall be charged; or in the event the delinquent sewer bill is collected by the water company, an administrative fee of $25.00 will be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the West Virginia American Water Company, is reconnected a reconnection fee of $25.00 shall be charged.

DELAYED PAYMENT PENALTY
On all current usage billings not paid in full by the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE
The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of $100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of $900.00, or the actual cost of the connection (solely determined by the Sanitary Board), whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

An amount not to exceed $2.00 per 1,000 gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on customer's side of meter. This rate shall be applied to all such consumption above the customer's historical average usage. The Huntington Sanitary Board shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

INDUSTRIAL SURCHARGE RATES

Rate applicable to Biological Oxygen Demand (BOD)	
Concentration in excess of 300 mg/l	$ .138/pound
Rate applicable to Total Suspended Solids (TSS)	
Concentration in excess of 350/mg/l	$.122/pound

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE II

APPLICABILITY

Applicable in entire territory served

AVAILABILITY OF SERVICE

Available for resale customers

RESALE RATES

Based on flow of sewage from flow meter reading	$1.886 per 1,000 gallons
Based on water usage	$2.330 per 1,000 gallons

RETURNED CHECK CHARGE

A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DELAYED PAYMENT PENALTY

On all current usage billings not paid in full by the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE III

APPLICABILITY

Applicable in entire territory served

AVAILABILITY OF SERVICE

Available for wastewater and leachate haulers

RATES

Commodity Charge - Each hauler shall pay a commodity charge of $40.00 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined or verified solely by the Sanitary Board.

RETURNED CHECK CHARGE

A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DELAYED PAYMENT PENALTY

On all current usage billings not paid in full by the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE IV

MUNICIPAL EXCISE TAX SURCHARGE

The municipality listed below, having imposed public utility tax computed on the basis of two percent of revenues from sewer service sales by the sewer utility within the corporate limits of such municipalities, shall be billed as a "surcharge" to the customers receiving service within said corporate limits.

The sewer utility is required to collect the utility tax pursuant to *West Virginia Code* Section 8-13-5a.

Customers receiving sewer service within the corporate limits of the specified municipality shall pay a surcharge on the following surcharge rates.

		Utility Excise Tax
Municipality	Local Tax Rate	Surcharge Rate
Huntington	2%	2%

SCHEDULE V

APPLICABILITY

Applicable in entire territory formerly served by Citco Water and Sewerage Company

AVAILABILITY OF SERVICE

Available for general domestic and commercial service

RATE (Based on metered amount of water used per quarter)

First	300 cubic feet used per month	$3.92 per 100 cubic feet
Next	400 cubic feet used per month	$2.73 per 100 cubic feet
Next	700 cubic feet used per month	$2.48 per 100 cubic feet

MINIMUM CHARGE

$11.76 per month

RETURNED CHECK

A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DELAYED PAYMENT PENALTY

On all current usage billings not paid in full by the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE VI – All Customers

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of industrial waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi$$

Ci	=	charge to unusual users per year
Vo	=	average unit cost of transport and treatment chargeable to volume, in dollars per gallon
Vi	=	volume of wastewater from unusual users in gallons per year
Bo	=	average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound
Bi	=	weight of BOD from unusual users in pounds per year
So	=	average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound
Si	=	weight of total solids from unusual users in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the Huntington Sanitary Board, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the Huntington Sanitary Board's records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the Sanitary Board, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE VII – All Customers

APPLICABLE INSIDE AND OUTSIDE THE CORPORATE LIMITS
OF THE SANITARY BOARD OF THE CITY OF HUNTINGTON

Where the amount of sanitary sewage discharged into the Sanitary Board's waste treatment system by certain industrial plant or plants cannot be accurately determined by the use of the Sanitary Board's water meter or meters, and the said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to Sanitary Board a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

PHASE II

THE FOLLOWING PHASE II RATES ARE TO
BECOME EFFECTIVE UPON COMPLETION OF THE PROPOSED SEWER SYSTEM
UPGRADE PROJECT OR UPON COMMENCEMENT OF DEBT SERVICE,
WHICHEVER FIRST OCCURS

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served including the territory formerly served by Citco Water and Sewerage Company.

AVAILABILITY OF SERVICE

Available for domestic, commercial and industrial sewer service (except unusual industrial waste)

RATES

First	2,000 gallons of water used per month	$6.58 per 1,000 gallons
All Over	2,000 gallons of water used per month	$3.42 per 1,000 gallons

FLAT RATE CHARGE (non metered water supply)

Equivalent of 4,500 gallons of water usage $21.71 per month.

MINIMUM CHARGE

No bill will be rendered for less than $13.16 per month which is the equivalent of 2,000 gallons of usage.

RETURNED CHECK CHARGE

A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DISCONNECT/RECONNECT /ADMINISTRATIVE FEES

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with West Virginia American Water Company, a disconnection fee of $25.00 shall be charged; or in the event the delinquent sewer bill is collected by the water company, an administrative fee of $25.00 will be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the West Virginia American Water Company, is reconnected a reconnection fee of $25.00 shall be charged.

DELAYED PAYMENT PENALTY

On all current usage billings not paid in full by the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not Interest and is to be collected only once for each bill where it is appropriate

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of $100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of $900.00, or the actual cost of the connection (solely determined by the Sanitary Board), whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

An amount not to exceed $2.00 per 1,000 gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on customer's side of meter. This rate shall be applied to all such consumption above the customer's historical average usage. The Huntington Sanitary Board shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

INDUSTRIAL SURCHARGE RATES

Rate applicable to Biological Oxygen Demand (BOD)
Concentration in excess of 300 mg/l — $0.156 per pound

Rate applicable to Total Suspended Solids (TSS)
Concentration in excess of 350/mg/l — $0.138 per pound

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE II

APPLICABILITY

Applicable in entire territory served

AVAILABILITY OF SERVICE

Available for resale customers

RESALE RATES

Based on flow of sewage from flow meter reading - $2.0519 per 1,000 gallons.
Based on water usage $2.535 per 1,000 gallons

RETURNED CHECK

A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DELAYED PAYMENT PENALTY

On all current usage billings not paid in full by the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE III

APPLICABILITY

Applicable in entire territory served

AVAILABILITY OF SERVICE

Available for wastewater and leachate haulers

RATES

Commodity Charge - Each hauler shall pay a commodity charge of $40.00 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined or verified solely by the Sanitary Board.

RETURNED CHECK CHARGE

A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DELAYED PAYMENT PENALTY

On all current usage billings not paid in full by the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE IV

MUNICIPAL EXCISE TAX SURCHARGE

The municipality listed below, having imposed public utility tax computed on the basis of two percent of revenues from sewer service sales by the sewer utility within the corporate limits of such municipalities, shall be billed as a "surcharge" to the customers receiving service within said corporate limits.

The sewer utility is required to collect the utility tax pursuant to *West Virginia Code* Section 8-13-5a.

Customers receiving sewer service within the corporate limits of the specified municipality shall pay a surcharge on the following surcharge rates.

	Utility Excise Tax	
Municipality	Local Tax Rate	Surcharge Rate
Huntington	2%	2%

SCHEDULE V

This schedule is deleted -- all customers formerly served by Citco Water and Sewerage Company are now served by the Huntington Sanitary Board.

SCHEDULE VI – All Customers

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of industrial waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi$$

Ci	=	charge to unusual users per year
Vo	=	average unit cost of transport and treatment chargeable to volume, in dollars per gallon
Vi	=	volume of wastewater from unusual users in gallons per year
Bo	=	average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound
Bi	=	weight of BOD from unusual users in pounds per year
So	=	average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound
Si	=	weight of total solids from unusual users in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the Huntington Sanitary Board, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the Huntington Sanitary Board's records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the Sanitary Board, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE VII – All Customers

APPLICABLE INSIDE AND OUTSIDE THE CORPORATE LIMITS
OF THE SANITARY BOARD OF THE CITY OF HUNTINGTON

Where the amount of sanitary sewage discharged into the Sanitary Board's waste treatment system by certain industrial plant or plants cannot be accurately determined by the use of the Sanitary Board's water meter or meters, and the said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to Sanitary Board a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

SECTION 2. EFFECTIVE DATE

The Rates and Charges provided herein for Phase I shall be effective 45 days after the enactment hereof.

The Rates and Charges provided herein for Phase II shall become effective upon completion of the proposed sewer system upgrade project or upon commencement of debt service, whichever first occurs

SECTION 3. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date of the fees, rates and charges as herein set forth, all ordinance, resolutions, orders or part thereof in conflict with the provisions of this Ordinance are, to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, order or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon first reading hereof, the City Clerk shall, pursuant to the provisions of *West Virginia Code* §§8-11-4, 8-13-13 and 16-13-16, publish Notice of this Ordinance in *The Herald Dispatch*, being a newspaper published and of general circulation in Cabell County, West Virginia. Said Notice shall be published as a Class II publication with the first publication occurring at least ten (10) days prior to the date set before the meeting of the City Council at which a public hearing, a final reading and a vote on the ordinance will be held. Said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on the 9th day of June, 2009 at 6:30 p.m., and present protests, if any. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper on the premises.

Further, said Notice shall advise the public that a copy of this ordinance is available for public inspection.

CITY OF HUNTINGTON

SPONSORED BY: COUNCILMAN RANDOLPH

APPROVED AS TO FORM BY: _____

FIRST READING: 5/26/2009 - ordered advertised

SECOND READING: 6/9/2009 - ADOPTED (8 yeas, 1 nay-Insco, 2 absent-Houck & Caserta)

DATE: June 9, 2009

Barbara Nelson
BARBARA NELSON, CITY CLERK

Date: June 10, 2009

Kim Wolfe
KIM WOLFE, MAYOR

Approve: ✓

DATE: 6-10-09

Veto: _____

SYNOPSIS
REGULAR MEETING
HUNTINGTON CITY COUNCIL
May 26, 2009

Council Chairman Jim Insco called the May 26, 2009 Huntington City Council meeting to order at 7:30 p.m.

(1 & 2) Invocation, Pledge & Roll Call:

Chairman Insco gave the invocation and Councilman Bates led the Pledge of Allegiance.

Council members present were Bates, Caserta, Clements, Houck, Insco, Jackson, Randolph, Ritter, Thacker and Williams. Councilwoman Loudermilk was absent.
Also present were Mayor Kim Wolfe, City Attorney Scott McClure, Director of Administration & Finance Brandi Jacobs-Jones, Finance Director Deron Runyon, Development Director Charles Holley and City Clerk Barbara Nelson.

(3) Synopsis:

Councilman Bates moved to approve the synopsis of the May 11, 2009 City Council meeting. The motion was 2nd by Councilwoman Clements and unanimously adopted.

(4) Reports of the Mayor

Mayor Wolfe reported that since beginning the zero tolerance program for unkempt properties 65 citations have been issued. Council members were asked to prioritize their paving requests. The new grader has not yet been delivered and alley grading will begin as soon as it arrives. Interim Fire Chief Tim Provaznik was introduced. Wayne Pollard was recently employed as Public Works Director and was also introduced. Loretta Covington was recently appointed as Sanitary Board Director.

Waive the Rules:
Councilman Ritter moved to waive the rules to move items 13, 14, 15 and 16 forward to be heard at this time. Councilman Bates seconded the motion, which was unanimously adopted.

(13) Resolution re: A RESOLUTION OF COUNCIL AND THE MAYOR HONORING RETIRED CITY EMPLOYEE RICK NAPIER

Councilman Ritter moved to adopt, 2nd by Councilwoman Clements.

Mayor Wolfe commented that Mr. Napier is one of several valued employees who have recently retired and are being honored this evening.

The resolution was read into the record at this time. Upon voice vote duly taken, the resolution was unanimously adopted.

(14) Resolution re: A RESOLUTION OF COUNCIL AND THE MAYOR HONORING RETIRED CITY EMPLOYEE LARRY ZIRKLE

Councilman Ritter moved to adopt, 2nd by Councilwoman Jackson.

The resolution was read into the record at this time. Upon voice vote duly taken, the resolution was unanimously adopted.

(15) Resolution re: A RESOLUTION OF COUNCIL AND THE MAYOR HONORING RETIRED CITY EMPLOYEE TIM WILBURN

Councilman Ritter moved to adopt, 2nd by Councilwoman Clements.

Mr. Wilburn came forward to accept the recognition.

The resolution was read into the record at this time. Upon voice vote duly taken, the resolution was unanimously adopted.

(16) Resolution re: A RESOLUTION OF COUNCIL AND THE MAYOR HONORING DEWEY BOCOOK

Councilman Ritter moved to adopt, 2nd by Councilwoman Jackson.

Mr. Bocook came forward as the resolution was read into the record. Upon voice vote duly taken, the resolution was unanimously adopted.

(5) 2nd Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO THREE (3), FIVE (5) AND SEVEN (7) YEAR TERM LEASE PURCHASE AGREEMENTS FOR THE PURCHASE OF CITY VEHICLES AND EQUIPMENT

Councilwoman Jackson moved to adopt, 2nd by Councilman Bates.

Mayor Wolfe stated the low bidder was Chase Equipment Finance Inc. of Huntington, WV. This is for lease purchases as follows: 7 years for motor grader @ 3.88% ($25,207.94 interest/$171,772 principal), 5 years for turnout gear and telescopic aerial platform @ 3.54% ($32,274.52 interest and $337,895 principal, and 3 years for tractor and police vehicles @ 4.65% ($3,869.19 interest and $50,143 principal).

Upon roll call vote duly taken, the ordinance was adopted (10 yeas, 0 nay, 1 absent-Loudermilk).

(6) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 752 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, CONCERNING CONTRACTOR LICENSING

City Attorney McClure explained that the amendment to 752.04 would increase liability insurance required to be carried by contractors from $100,000-$300,000 to $300,000-$600,000

and will bring the ordinance up to current standards. This will also require that the City of Huntington is named as additional insured on such policies thus giving the city the right to ensure the policies stay in effect during construction.

This ordinance will be advertised.

(7) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 752 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, CONCERNING CONTRACTOR LICENSING

City Attorney McClure stated this will require payment of B&O taxes at the time permits are pulled and licenses are granted. It will also ensure all delinquent taxes and fees are brought current before doing business within the city.

Councilman Randolph stated that this is specific to the construction market. It is not uncommon for a project to go unfinished. If we are requesting payment of B&O taxes up front, there needs to be a mechanism in place to make a partial refund if proof is provided that the project was not completed.

Mr. McClure stated this could be done in the form of administrative rules and regulations giving guidance and clarity to the ordinance. He pointed out that oftentimes construction projects run over cost projections and more taxes would be due and owing.

This ordinance will be advertised.

(8) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH LABOR, MATERIALS AND EQUIPMENT FOR THE INSTALLATION OF SIDEWALKS AND CURB CUTS 2009 PROJECT

Mayor Wolfe reported that the successful bidder was Cement Finishings, Inc. of Barboursville. The $125,256 contract will be paid for through Community Development Block Grant funds. This is for the installation of sidewalks in Guyandotte as well as approximately 75 handicap ramps throughout the city.

Chairman Insco stepped down from the chair to ask why the bid sheet states $135,000 and the contract is for $125,000. Development Director Charles Holley stated that the $135,000 was a cost estimate done before the project was awarded and was a justification for the contract. The cost estimate is based on an average of the three bids received for a similar project the previous year. Mr. Holley is to provide Council with copies of the bid sheet on this project.

Councilwoman Clements asked for a list of handicap ramps to be installed.

This ordinance will be advertised.

(9) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH THE CITY GARAGE WITH ONE (1) NEW TRANSMISSION FLUSHER

The successful bidder was NAPA Auto Parts of Huntington at a total cost of $5,999 and is provided for in the current year's budget.

This ordinance will be advertised.

(10) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH MAINTENANCE SERVICE OF WILD VEGETATION

The successful bidder was A Personal Gardener of Huntington @ $.75 per square yard.

Mr. McClure said there is an ordinance stating that if weeds grow over a foot tall the city can give notice for them to be cut. If the property owner fails to respond in a timely manner, we can abate the offending matter and file suit to recover the costs for said abatement. This tool has been underutilized in recent years.

Councilman Randolph asked the cost to file suit. Mr. McClure stated that a suit in Circuit Court costs $125 plus service processing charges, If successful in court we are allowed to recoup all costs from the defendant. Litigation is generally initiated when no response is received after 2-3 billings.

Councilman Ritter asked why we don't hire Marshall University students for this vegetation remediation. Mr. McClure could not recall ever hiring MU students, though volunteers have in previous years cut city right-of-ways and city owned properties. He noted that this contractor will be required to cut the grass/weeds, clean the lot, bag and remove the matter. Mayor Wolfe said that the city is currently using inmate personnel to do some cutting but only on city-owned properties. Councilman Ritter asked if the AFSCME union has a problem with contracting this out. Ms. Jacobs-Jones pointed out that Street Department personnel would be used for such a service, and those persons are kept busy with other duties.

Councilwoman Clements asked who owns A Personal Gardner, which was reported to be Kotalic Landscaping.

This ordinance will be advertised.

(11) 1st Reading of an Ordinance re: AN ORDINANCE ESTABLISHING AND FIXING RATES, FEES AND CHARGES OF THE MUNICIPAL SEWER SYSTEM OF THE CITY OF HUNTINGTON, WEST VIRGINIA

Mayor Wolfe thanked Councilman Randolph for his assistance as the Council liaison to the Huntington Sanitary Board (HSB). The Environmental Protection Agency (EPA) has issued mandates to separate floodwater and wastewaters.

Councilman Randolph gave four reasons that the increase is needed. They are as follows: 1) possible EPA fines for noncompliance, 2) economic development, 3) to address flooding issues throughout the city, and 4) to bring rates up to a level that will qualify the HSB for grant funds.

Councilman Caserta suggested obtaining a second opinion as to whether the rate increase is indeed necessary. He asked what Ms. Covington's qualifications were that enabled her

appointment as Huntington Sanitary Board Director. Ms. Covington reported that she has 20 plus years of experience at the HSB having worked in several capacities there; though she does not have an engineering degree. Mr. Caserta asked what company(s) the HSB has worked with on plans, which was reported that they currently work with Potesta Engineers and previously worked with Strand Engineers. Mr. Caserta feels government funds should be made available to help fund these projects since they are federally mandated.

Robert Rodecker, Huntington Sanitary Board Attorney, came forward and explained that the HSB rates must be high enough to cover daily operations as well as bond indentures. This rate increase has two phases: Phase I would go into effect immediately after approval and protest time as required by law and would cover going level costs of the HSB. The Phase II increase is related to items mentioned by Councilman Randolph and are part of a long-term control plan investigated by the previously mentioned engineering firms.

Timing is of the essence for approval because the project related costs must be approved by this council and must be tied to a project approved by the Infrastructure Council. Before the Infrastructure Council approves a project, they must be shown that rates are sufficient to support the project. The PSC issued an order in late April stating that for projects to be considered for stimulus funds administered by the Infrastructure Council those applications must be submitted to the Council and PSC by June 1st. The HSB has a project that it proposes to file at the PSC and was submitted to the Infrastructure Council on May 28, 2009, and the project will require the rates proposed in this ordinance.

Councilman Insco stepped down from the chair and asked if there was a letter stating that the HSB's rates are too low to receive stimulus funds. Mr. Rodecker explained briefly why the HSB is ineligible for such funds, which is directly tied to the median household income. Mr. Insco asked what rates should be at the current median income of Huntington. Michael Griffith, HSB CPA, reported that to get to 1.25% of the median household would put the rate at $24.20 for 4,000 gallons and the rate is currently at $15.80. Mr. Griffith explained eligibility requirements for grant funds. The Infrastructure Council members are Governor appointed. Mr. Insco resumed the chair.

Councilman Williams asked where Huntington's rates compare with other municipalities for which Mr. Griffith works. Mr. Griffith stated they are lower than most.

Councilwoman Clements asked what percentage the increase represents. Mr. Griffith said it was $4.20 total for the average customer use of 4,000 gallons. Ms. Clements asked if the increase is approved whether it would make us eligible for grant monies. Mr. Griffith felt it would support the argument to obtain the best loan dollars available. Regarding stimulus funding, if an application is not made within the timeframe given the matter would be moot. Ms. Clements asked whether approval would have the HSB ready to begin a project. Mr. Griffith stated that would happen following PSC approval.

Huntington Sanitary Board Director Loretta Covington and Travis Bailey, Huntington Sanitary Board CSO Coordinator, gave a presentation delineating the reasons for the requested rate increase, a copy of which will be maintained in this council meeting file.

Councilman Williams pointed out that the $785 million identified for projects to be accomplished over a 30 year period was calculated in current dollars only and does not take into consideration inflation.

In conclusion, Mr. Rodecker reiterated that there is a timing issue that needs addressed in order to meet with the PSC's order issued in April. Cases must be filed by June 1st and they need to go to bid in July to be awarded in October to be eligible for stimulus funds. Due to statutory time requirements, the second reading on this needs to be on June 9th at a special meeting at which time the hearing on the ordinance would also be held.

This ordinance will be advertised.

(12) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO CONTRACT TO FURNISH THE HUNTINGTON FIRE DEPARTMENT WITH A NEW 2010 FORD EXPLORER AND SERVICE MANUAL

Mayor Wolfe stated this would be purchased on the state bid from Stephens Auto Center at a total cost of $22,184 and is a replacement for an aged vehicle at the Fire Department.

This ordinance will be advertised.

Waiver of the Rules:
Councilman Bates moved to waive the rules to add an additional item, 12A, to the agenda. The motion was seconded by Councilman Ritter and adopted by unanimous voice vote.

(12A) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 953 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, REGARDING WEEDS AND COMBUSTIBLE MATERIALS

City Attorney McClure explained that this proposed amendment was requested to bring the ordinance in line with the previously introduced ordinance regarding maintenance of wild vegetation. The current ordinance only allows the city to charge $.50 per square yard and this would increase that charge to $.75 per square yard.

This ordinance will be advertised.

(17) Resolution re: A RESOLUTION OF COUNCIL REGARDING THE SPENDING OF FEDERAL ECONOMIC RENEWAL GRANTS TO THE CITY OF HUNTINGTON

Councilwoman Jackson moved to adopt, 2nd by Councilman Ritter.

The resolution supports the purchase of American-made products and/or services when expending stimulus funds.

Upon voice vote duly taken, the resolution was unanimously adopted.

(18) Resolution re: A RESOLUTION OF COUNCIL REGARDING THE PUBLIC WORKS DIRECTOR POSITION FOR THE CITY OF HUNTINGTON

Councilman Ritter moved to adopt, 2nd by Councilman Bates.

Mayor Wolfe reminded that a public works director was recently hired.

City Attorney McClure stated that Council took steps to amend the Charter in accordance with state law. An objection to the amendment was received. Section 8-4A of the State Code requires that the City, once an objection is received, either adopt the process allowing for an election or drop the process altogether. Some Council action is needed to resolve the issue of the Charter amendment.

Tom McCallister, 317 Washington Ave., asked what exactly would be voted upon. Chairman Insco explained that the resolution is to withdraw the Charter amendment.

Upon voice vote duly taken, the resolution was adopted (9 yeas, 1 nay-Williams, and 1 absent-Loudermilk).

(19) Resolution re: A RESOLUTION OF COUNCIL AUTHORIZING A SUBSTANTIAL CHANGE OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROJECT

Councilwoman Thacker moved to adopt, 2nd by Councilman Bates.

Development Director Charles Holley explained that these funds would come from the American Recovery & Reinvestment Act and are additional Community Development Block Grant funds that are to be held and accounted for separately. The funds will be used for construction projects that can be under contract within 120 days as follows: $40,000 for Harveytown Park, $450,000 for additional improvements in the Central Business District, and $68,608 for the Hal Greer Boulevard Viaduct Project.

Councilman Bates asked for an explanation as to what improvements are proposed for the viaduct project. Mr. Holley stated that it includes tiling the walls, sidewalk elevation, guardrail upgrades, and upgrade the top railing system. The cost estimate is now approximately $200,000 and the city is partnering with the Empowerment Zone on the project.

Mr. Bates asked what improvements would be made to the Central Business District. Mr. Holley explained the funds would be used for additional work on 8th Street between Third Avenue, the Old Main Corridor project, and for an archway on Third Avenue @ 13th Street.

Councilman Randolph, due to a conflict of interest, will recuse himself when the ordinance comes up for a vote.

Councilman Ritter asked why CSX does not help with the viaduct renovation. Mr. Holley has been in contact with CSX to obtain permission for the project. Assistance has been requested from them though no response has been received.

Tom McCallister asked from where the funds were coming, which Chairman Insco responded that they are stimulus funds. Mr. McCallister does not agree with the proposed use of these monies.

Upon voice vote duly taken, the resolution was unanimously adopted (10 yeas, 0 nay, 1 absent-Loudermilk).

(20) Confirmation of Appointment: HUNTINGTON HUMAN RELATIONS COMMISSION – MICHELLE PROTZMAN, *(1ST term-filling a vacancy)*

Councilman Houck moved to approve the appointment, 2nd by Councilman Caserta.

Councilman Caserta stated that the Personnel Committee gave Ms. Protzman a favorable recommendation.

Upon voice vote duly taken, the appointment was approved unanimously.

(21) Good & Welfare

Councilman Ritter asked for an update on the residency requirement judgment. Mr. McClure reported that the hearing was continued until July which continues the temporary injunction until that time.

Councilman Randolph thanked all who participated in and attended the Memorial Day celebration.

Councilman Bates asked for an update on the Forest Park Lane project. Mr. Holley reported that catch basins were ordered, should be delivered this week and will be installed as soon as possible, weather permitting.

Mr. Bates asked whether a Tethering Committee meeting was scheduled yet. Citizens continue to comment the disheveled condition at the city's sign shop on 14th Street West and have asked that the area be cleaned up or for some type of barrier so that the mess will be hidden from the public. He requested an update on the landfill closure. Mayor Wolfe is to provide this information.

Councilwoman Jackson commented that it will be very difficult to shorten her district paving requests as requested by the Mayor. Chairman Insco asked that Council be provided with a final list before paving begins.

Chairman Insco reported that the roof was replaced at 414 7th Avenue and the debris was thrown in the neighbor's yard and this needs looked into. He asked for a report on how the City Service Fee collections are working since it was increased. Finance Director Runyon said that approximately 2,200 letters were mailed notifying businesses of the increase. There have been a handful of calls concerning the retroactive feature and he has discussed the matter with them answering questions and concerns. Mr. Insco requested an update on the Enterprise Fund since it is now not included in the monthly financial reports.

David Richards, 2044 Spring Valley Drive, pastor of a local church, was unsure if his church received the letter on the increased City Service Fee and offered to meet with Mr. Runyon on this. He commented on the fact that a local automobile dealer is losing its franchise, through no fault of its own, and will have to close the sales department. All should let this business know that their years of service to this community have been appreciated.

John Queen, Forest Park Lane, spoke regarding the deteriorated condition of Forest Park Lane and the need for drainage issues to be resolved.

John Vance, 1328 9th Ave., asked for clarification on the retroactive date of April 1st on the City Service Fee. Chairman Insco explained that the total amount to be collected for the fee is $3 per week beginning April 1, 2009.

Tom McCallister feels that appointments such as the Sanitary Board Director and Public Works Director must be brought before Council for approval. Why is the Sanitary Board hauling sludge to a landfill when there were repairs made to the furnace in recent years? He questioned the need for additional work on the sanitary sewer lines to Kinetic Park.

Curt McHaffie, 816 4th Street, asked if there would be legal ramifications for a citizen mowing grass at neglected properties. Mr. McClure pointed out that you could not do that unless by invitation due to trespassing laws.

John Payne, 17 Forest Park Lane, stated that the curb on his street needs replaced as soon as possible to help with the flooding problems.

There being no further business and upon motion duly made and seconded, the meeting was adjourned.

SYNOPSIS
REGULAR MEETING
HUNTINGTON CITY COUNCIL
June 8, 2009

Council Chairman Jim Insco called the June 8, 2009 Huntington City Council meeting to order at 7:30 p.m.

(1 & 2) Invocation, Pledge & Roll Call:

Chairman Insco gave the invocation and Councilman Bates led the Pledge of Allegiance.

Council members present were Bates, Clements, Insco, Jackson, Loudermilk, Randolph, Ritter, Thacker and Williams. Councilmen Houck and Caserta were absent.
Also present were Mayor Kim Wolfe, City Attorney Scott McClure, Director of Administration & Finance Brandi Jacobs-Jones, Director of Development & Planning Charles Holley, and Public Works Director Wayne Pollard and City Clerk Barbara Nelson.

(3) Synopsis:

Councilman Bates moved to approve the synopsis of the May 26, 2009 City Council meeting. The motion was 2nd by Councilwoman Clements and unanimously adopted.

(4) Reports of the Mayor

Mayor Wolfe reported that information requested regarding the Huntington Sanitary Board had been provided to council members. The administration has scheduled an environmental scan of the city to determine and prioritize challenges throughout the city and invited council members to participate. This will be done on Friday, June 19 from 9 a.m. till 1 p.m.

Waive the Rules:
Councilman Bates moved to waive the rules to move item 14 forward on the agenda to be heard at this time. The motion was seconded by Councilman Ritter and unanimously adopted.

(14) Resolution re: A RESOLUTION OF COUNCIL AND THE MAYOR HONORING FROSTOP DRIVE-IN FOR ITS 50 YEARS OF BUSINESS

Councilman Bates moved to adopt, 2nd by Councilwoman Clements.

Ms. Murdock and Ms. Murphy came forward while the clerk read the resolution into the record.

Upon voice vote duly taken, the resolution was unanimously adopted.

(5) 2nd Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 752 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, CONCERNING CONTRACTOR LICENSING

Councilman Randolph moved to adopt, 2nd by Councilman Ritter.

City Attorney McClure stated that approval would increase liability limits from $100,000/$300,000 to $300,000/$600,000 and would require that the City of Huntington be named as an additional insured on the contractor's general liability policy.

Upon roll call vote duly taken, the ordinance was adopted (9 yeas, 0 nays, 2 absent-Houck and Caserta).

(6) 2nd Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 752 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, CONCERNING CONTRACTOR LICENSING

Councilman Randolph moved to adopt which was seconded by Councilwoman Clements.

Councilman Randolph moved to refer the ordinance to the Finance Committee for further review, which Councilman Ritter seconded.

Mr. Randolph said that there are currently contractors from outside the community who obtain a business license to perform work for which the city is due B&O taxes upon completion. This ordinance is an attempt to collect this tax up front because some businesses do not pay when the work is completed. The referral is for a review to make sure the tax can legally be collected before the service has been completed.

Danny Plybon, 3530 Whites Creek Rd., questioned whether the out of area contractors pay the City Service Fee for each employee when they do work within the city.

Upon voice vote duly taken, the referral was adopted unanimously.

(7) 2nd Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH LABOR, MATERIALS AND EQUIPMENT FOR THE INSTALLATION OF SIDEWALKS AND CURB CUTS 2009 PROJECT

Councilwoman Thacker moved to adopt, 2nd by Councilwoman Clements.

These Community Development Block Grant funds in the amount of $125,256 will be used for a concrete sidewalk in Guyandotte and for curb cuts throughout the city.

Upon roll call vote duly taken, the ordinance was adopted (9 yeas, 0 nay, 2 absent-Houck and Caserta).

(8) 2nd Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH THE CITY GARAGE WITH ONE (1) NEW TRANSMISSION FLUSHER

Councilman Bates moved to adopt, 2nd by Councilman Randolph.

The successful bidder was NAPA Auto Parts of Huntington at a cost of $5,999.00. The funds are available in the 2008-2009 budget.

Upon roll call vote duly taken, the ordinance was adopted (9 yeas, 0 nay, 2 absent-Houck and Caserta).

(9) 2nd Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH MAINTENANCE SERVICE OF WILD VEGETATION

Councilman Ritter moved to adopt, 2nd by Councilwoman Clements.

The successful bidder was A Personal Gardner of Huntington at a cost of $.75 per square yard.

Councilman Randolph stated that an employee contacted him concerned that this was a service that should be provided by city employees thus was taking the work away from our employees. Director of Administration & Finance Brandi Jacobs-Jones explained that the purpose of the ordinance is to procure services to mow vacant lots. The only way this service will be used for right-of-way mowing is in an extreme situation. There is no desire to take any work away from city employees. This mowing will be focused on dilapidated, vacant properties.

Councilman Ritter asked who mows the levy areas of the city. Ms. Jacobs-Jones stated it was done by the city Floodwall Division employees.

Councilwoman Jackson asked if prisoners were used for city mowing. Ms. Jacobs-Jones said that Huntington Work Release personnel have been used before but they do not perform tasks done by city employees.

Danny Plybon, as an AFSCME member, feels that any work that could be completed by an employee should not be outsourced.

Jim Porter, Bloss Hill Road, AFSCME president, said that the union has no problem with contracting to have vacant lots mowed, but they do have a problem with contracting out mowing the right-of-ways.

Pete Vaughn, 61 Fairfax Dr., suggested hiring additional employees for the Street Department.

Councilman Williams stated that proper management techniques need to be in place to ensure that the employees' time is being assigned effectively. These funds should be used only for mowing vacant lots.

Upon roll call vote duly taken, the ordinance was adopted (9 yeas, 0 nay, 2 absent-Caserta and Houck).

(10) 2nd Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO CONTRACT TO FURNISH THE HUNTINGTON FIRE DEPARTMENT WITH A NEW 2010 FORD EXPLORER AND SERVICE MANUAL

Councilman Bates moved to adopt, 2nd by Councilwoman Clements.

Approval will award the contract to Stephens Auto Center, Danville, WV at a total cost of $23,184. This is a replacement vehicle for the Fir Department.

Upon roll call vote duly taken, the ordinance was adopted (9 yeas, 0 nay, 2 absent-Caserta and Houck).

(11) 2nd Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 953 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, REGARDING WEEDS AND COMBUSTIBLE MATERIALS

Councilman Bates moved to adopt, 2nd by Councilwoman Clements.

City Attorney McClure stated that the ordinance as currently written allows the city to charge property owners a fee of $.50 per square yard for abatement of high weeds. This would increase the fee to $.75 per square yard.

Upon roll call vote duly taken, the ordinance was adopted (9 yeas, 0 nay, 2 absent-Caserta and Houck).

(12) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 1110 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, CONCERNING CHRONIC NUISANCE PROPERTY *(following committee referral)*

Police Chief Holbrook explained there is currently a statute that allows action against chronic nuisance properties which is used after exhausting an extreme amount of resources addressing the problems. This allows the city to work with responsible property owners to identify problems and work with them on a solution to abate problems before they become a strain on resources.

This ordinance will be advertised.

(13) 1st Reading of an Ordinance re: AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF HUNTINGTON, WV, 1998, & THE ZONING MAP ATTACHED THERETO AS A PART THEREOF, BY ZONING TO C-1 NEIGHBORHOOD COMMERCIAL FROM R-2 RESIDENTIAL, 1802 THROUGH 1820 MADISON AVENUE, CABELL CO. TAX MAP 55, PARCELS 148 THROUGH 151.1 LOTS 28 THROUGH 32

Mayor Wolfe stated that the petitioner is the International Brotherhood of Electrical Workers Local 317. The request is to expand their facility.

This ordinance will be advertised.

(15) Resolution re: A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ACCEPT THE CONDITIONS OF A LOCAL ECONOMIC DEVELOPMENT ASSISTANCE GRANT (LEDA) WITH THE WEST VIRGINIA DEVELOPMENT OFFICE ON BEHALF OF THE HUNTINGTON REGIONAL CHAMBER OF COMMERCE

Councilman Williams moved to adopt, 2nd by Councilman Bates.

Mayor Wolfe stated this was to accept the conditions of this $10,000 grant application on behalf of the Chamber of Commerce.

Upon voice vote duly taken, the resolution was unanimously adopted.

(16) Resolution re: A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH THE U.S. ARMY CORPS OF ENGINEERS FOR THE DEVELOPMENT OF A MASTER PLAN FOR HARRIS RIVERFRONT PARK

Councilwoman Thacker moved to adopt, 2nd by Councilwoman Clements.

Director of Development & Planning Charles Holley explained this to be a total $150,000 grant for the development of a new master plan for the Harris Riverfront Park. Approval will authorize the Mayor to enter into that agreement with the Corps of Engineers. The Corps of Engineers is putting up $75,000 and asked that the City of Huntington provide $50,000 which was reallocated earlier this year from park funds. The city will also provide $25,000 in in-kind services in conjunction with the Greater Huntington Park & Recreation District.

Councilman Ritter wondered if this should be done through the Park Board rather than the city. Mr. Holley explained that the City has provided the $50,000 in matching funds and the GHP&RD is a partner with the city and will be involved in the process. The Park District will be providing in-kind services along with the city.

Councilman Bates asked when the last master plan for Harris Riverfront Park was done. Mr. Holley said the park was constructed in several stages and was unsure if there was a previous master plan.

Upon voice vote duly taken, the resolution was adopted (8 yeas, 1 nay-Ritter, and 2 absent-Caserta and Houck).

Waive the Rules:
Councilman Bates moved to waive the rules to hear an additional item, 2nd by Councilman Ritter. Upon voice vote duly taken, the waiver was adopted unanimously.

(16A) Resolution re: A RESOLUTION OF COUNCIL RATIFYING, APPROVING AND CONFIRMING AN EMERGENCY PURCHASE FOR THE TRAFFIC ENGINEERING DIVISION PURSUANT TO SECTION 107.01(k) OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON.

Councilman Bates moved to adopt, 2nd by Councilman Randolph.

Mayor Wolfe stated this was for the purchase of two wireless communication nodes for installation of traffic signals at a cost of $3,500 each.

Public Works Director Wayne Pollard explained the need to add this item was because it is a matter of public safety to have the traffic signals timed properly along 5th Ave. around 20th St.

Upon roll call vote duly taken, the resolution was unanimously adopted.

(17) **Good & Welfare**

Councilwoman Jackson expressed concern with a new business in her district which sells adult clothing and other items. Mr. McClure is to review regulations regarding the location of this type of business and report back to Ms. Jackson.

Councilman Randolph received a request from a constituent asking for a regular police patrol in the area of 9th Street West due to break-ins over the past year.

A resident of his district was recently bitten by a dog. They asked if there is something in the Code that allows more aggressive action such as fines or removal of the animal. Mr. McClure explained that the ordinance provides for issuance of citations for aggressive/ dangerous animals. Mr. Randolph noted that the city does have leash and muzzle laws that people are not abiding by. The Tethering Committee is reviewing several of the animal laws.

Councilman Ritter is to schedule a Tethering Committee in the near future. They would like to find funding to have an animal officer designated for the city only and possibly increases fines.

Councilman Williams asked how the city could expend funds on an item via an ordinance and expend monies on an emergency purchase via a resolution. Mr. McClure explained that an emergency purchase is allowed as provided in section 107.1 of the Code which allows for such a purchase through a resolution if there is a public safety issue.

Councilman Bates feels that Huntington should have a recycling program.

Chairman Insco reminded that there was a Special Call Council Meeting scheduled for Tuesday, June 9 at 6:30 p.m. for the second reading on the proposed sewer rate increase.

Tom McCallister questioned the quality of the paving work done on Fourth Avenue in the downtown area. The bump outs in this area are nothing but hazards.

Jacqueline Muth of 617 10th Ave., Capri Pennington of 2537 Collis Ave., Tomasina Marshall of 209 Chestnut Street all spoke against tethering animals.

Mike Pennington, 1589 19th Street W., said not all animal owners can afford to install a fence for their pets.

Leon White, 1102 17th Street, would like to see something done about animal control in Huntington because there are so many dogs running wild.

Bobby Warf, 2810 11th Ave., reported that the city owns the property next to his and asked that it be cleaned and mowed.

There being no further business and upon motion duly made and seconded the meeting was adjourned.

rates

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINA,
COUNTY OF CABELL, TO-WIT:

I, Rebecca Ruckman being first duly sworn, depose and say that I am Legal Clerk for The Herald-Dispatch, a corporation, who publishes at Huntington, Cabell County, West Virginia, the newspaper: The Herald-Dispatch, an independent newspaper, the morning seven days each week, Monday through Sunday including New Year's Day, Memorial Day, the Fourth of July, Labor Day, Thanksgiving and Christmas; that I have been duly authorized by the Board of Directors of such corporation and the newspaper mentioned herein; that the legal advertisement attached in the left margin of this affidavit and made a part hereof and bearing number LH-731202 was duly published in

The Herald-Dispatch

one time, once a week for 2 successive weeks, commencing with its issue of the 30 day of May, 2009 and ending with the issue of the 06 day of June, 2009 and was posted at the East door of the Cabell County Courthouse on 30 day of May, 2009; that said legal advertisement was published on the following dates:

; May 30 & June 6, 2009

that the cost of publishing said annexed advertisement as aforesaid was $1,553.83; that such newspaper in which such legal advertisement was published has been and in now published regularly, at least as frequently as once a week for at least fifty weeks during the calendar year as prescribed by its mailing permit, and has been so published in the municipality of Huntington, Cabell County, West Virginia , for at least one year immediately preceding the date on which the legal advertisement set forth herein was delivered to such newspaper for publication; that such newspaper is a newspaper of "general circulation" as defined in Article 3, chapter 59, of the West Virginia Code, within the publication area or areas of the municipality of Huntington, Cabell and Wayne Counties, West Virginia, and that such newspaper is circulated to the general public at a definite price or consideration, that such newspaper on each date published consists of not less than four pages with out a cover; and that it is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices.

Taken, subscribed and sworn to before me in my said county this 2nd day of June, 2009.

My Commission expires 8/23/2010

Rebecca Ruckman

Georgetta L Thevenin
Notary Public
Cabell County
West Virginia

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
GEORGETTA L. THEVENIN
4042 GRAPEVINE ROAD
HUNTINGTON, WV 25701
My Commission Expires August 23, 2010

PUBLIC NOTICE OF PROPOSED SEWER RATE ORDINANCE

On May 26, 2009, the City Council of the City of Huntington held a first reading of an ordinance, the purpose of which is to adopt a two-phase increase in sewer rates and charges in the entire area served by the Huntington Sanitary Board. A hearing on the ordinance will be held on June 9, 2009, at 6:30 p.m. in the City Council Chambers at Huntington City Hall, 800 5th Avenue, Huntington. 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. Copies of this ordinance shall be available to the public for inspection at the office of the City Clerk in the Huntington City Hall, Huntington, West Virginia. The proposed ordinance is as follows:

AN ORDINANCE ESTABLISHING AND FIXING RATES, FEES AND CHARGES OF THE MUNICIPAL SEWER SYSTEM OF THE CITY OF HUNTINGTON, WEST VIRGINIA

[WHERE]AS, in order to [meet] current operational requirements and the debt service associated with future proposed sewer system upgrade projects, the City of Huntington City Council has determined it is necessary to increase the City's current sewer rates, fees and charges for sewer service provided by its Sanitary Board which have been in effect since November 6, 2006; and,

WHEREAS, the increase in sewer rates will be implemented in two phases,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HUNTINGTON HEREBY ORDAINS: That the following rates, fees and charges for sewer service provided by the Sanitary Board of the City of Huntington to its customers throughout its service territory, are hereby fixed and determined as rates, fees and charges to be charged in lieu of those rates, fees and charges contained in its current tariff, P.S.C. W.Va. No. 12, currently on file with the Public Service Commission of West Virginia.

SECTION 1. SCHEDULE OF RATES PHASE I

THE FOLLOWING PHASE I RATES ARE TO BECOME EFFECTIVE FORTY-FIVE (45) DAYS AFTER THE ENACTMENT OF THIS ORDINANCE

SCHEDULE I

APPLICABILITY
Applicable within the entire territory served except for the territory formerly served by Cito Water and Sewerage Company

AVAILABILITY OF SERVICE
Available for domestic, commercial and industrial sewer service (except unusual industrial waste)

RATES
Customer Charge $2.86 per month
First 2,240 gallons of water used per month $3.85 per 1,000 gallons
Next 12,720 gallons of water used per month $3.80 per 1,000 gallons
Next 134,640 gallons of water used per month $3.61 per 1,000 gallons
Next 7,330,000 gallons of water used per month $2.50 per 1,000 gallons
All Over 7,480,000 gallons of water used per month $1.62 per 1,000 gallons

FLAT RATE CHARGE
(non-metered water supply)
Equivalent of 4,500 gallons of water usage $20.07 per month.

MINIMUM CHARGE
No bill will be rendered for less than $2.86 per month which is the equivalent of the customer charge.

RETURNED CHECK CHARGE
A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES
Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with West Virginia American Water Company, a disconnection fee of $25.00 shall be charged; or in the event the delinquent sewer bill is collected by the water company, an administrative fee of $25.00 will be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the West Virginia American Water Company, is reconnected a reconnection fee of $26.00 shall be charged.

DELAYED PAYMENT PENALTY
On all current usage billings not paid in full by the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE
The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of $100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This preconstruction tap fee will be invalid after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of $900.00, or the actual cost of the connection (solely determined by the Sanitary Board), whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT
An amount not to exceed $2.00 per 1,000 gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on customer's side of meter. This rate shall be applied to all such consumption above the customer's historical average usage. The Huntington Sanitary Board shall establish a nondiscriminatory policy regarding the provision for leak adjustments.

INDUSTRIAL SURCHARGE RATES
Rate applicable to Biological Oxygen Demand (BOD) Concentration in excess of 300 mg/l $.338/pound

Rate applicable to Total Suspended Solids (TSS) Concentration in excess of 350/mg/l $.322/pound

EFT, CREDIT CARD AND DROP BOX PAYMENTS
A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE II

APPLICABILITY
Applicable in entire territory served

AVAILABILITY OF SERVICE
Available for resale customers

RESALE RATES
Based on flow of sewage from flow meter reading $1.885 per 1,000 gallons
Based on water usage $2.330 per 1,000 gallons

RETURNED CHECK CHARGE
A service charge of $26.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DELAYED PAYMENT PENALTY
On all current usage billings not paid in full by the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

EFT, CREDIT CARD AND DROP BOX PAYMENTS
A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE III

APPLICABILITY
Applicable in entire territory served

AVAILABILITY OF SERVICE
Available for wastewater and leachate haulers

RATES
Commodity Charge: Each hauler shall pay a commodity charge of $40.00 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined or verified solely by the Sanitary Board.

RETURNED CHECK CHARGE
A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DELAYED PAYMENT PENALTY
On all current usage billings not paid in full by the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

EFT, CREDIT CARD AND DROP BOX PAYMENTS
A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE IV

MUNICIPAL EXCISE TAX SURCHARGE
The municipality listed below, having imposed public utility tax computed on the basis of two percent of revenues from sewer service sales by the sewer utility within the corporate limits of such municipalities, shall be billed as a "surcharge" to the customers receiving service within said corporate limits.

The sewer utility is required to collect the utility tax pursuant to West Virginia Code Section 8-13-5a.

Customers receiving sewer service within the corporate limits of the specified municipality shall pay a surcharge on the following surcharge rates.

Utility Excise Tax
Municipality Huntington
Local Tax Rate 2%
Surcharge Rate 2%

SCHEDULE V

APPLICABILITY
Applicable to entire territory formerly served by Cito Water and Sewerage Company

AVAILABILITY OF SERVICE
Available for general domestic and commercial service

RATE (based on [illegible] based amount of water used per month)
First 300 cubic feet used per month $3.92 per 100 cubic feet
Next 400 cubic feet used per month $2.73 per 100 cubic feet
Next 700 cubic feet used per month $2.48 per 100 cubic feet

MINIMUM CHARGE
$11.76 per month

RETURNED CHECK
A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DELAYED PAYMENT PENALTY
On all current usage billings not paid in full by the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

EFT, CREDIT CARD AND DROP BOX PAYMENTS
A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE VI
All Customers

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of industrial waste will be calculated on the basis of the following formula:

$C_s = V_oV_s + B_cB_s + S_cS_s$
C_s = Surcharge to unusual users per year
V_o = Average unit cost of transport and treatment chargeable to volume, in dollars per gallon
V_s = Volume of wastewater from unusual users in gallons per year
B_c = Average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound
B_s = Weight of BOD from unusual users in pounds per year
S_c = Average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound
S_s = Weight of total solids from unusual users in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the Huntington Sanitary Board, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation, monitoring and audit of the Huntington Sanitary Board's records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refunds given by the Sanitary Board, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as stated.

SCHEDULE VII
All Customers

APPLICABLE INSIDE AND OUTSIDE THE CORPORATE LIMITS OF THE SANITARY BOARD OF THE CITY OF HUNTINGTON

Where the amount of sanitary sewage discharged into the Sanitary Board's waste treatment system by certain industrial plant or plants cannot be accurately determined by the use of the Sanitary Board's water meter or meters, and the said plant cannot install a flow meter to measure such waste, a specific formula will be used whereby such plant or plants will pay to Sanitary Board a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

PHASE II

THE FOLLOWING PHASE II RATES ARE TO BECOME EFFECTIVE UPON COMPLETION OF THE PROPOSED SEWER SYSTEM UPGRADE PROJECT OR UPON COMMENCEMENT OF SEWER SERVICE, WHICHEVER FIRST OCCURS

SCHEDULE I

APPLICABILITY
Applicable within the entire territory served including the territory formerly served by Cito Water and Sewerage Company.

AVAILABILITY OF SERVICE
Available for domestic, commercial and industrial sewer service (except unusual industrial waste)

RATES
First 2,000 gallons of water used per month $6.28 per 1,000 gallons
All Over 2,000 gallons of water used per month $3.42 per 1,000 gallons

FLAT RATE CHARGE
(non-metered water supply)
Equivalent of 4,500 gallons of water usage $21.71 per month.

MINIMUM CHARGE
No bill will be rendered for less than $13.16 per month which is the equivalent of 2,000 gallons of usage.

RETURNED CHECK CHARGE
A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES
Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with West Virginia American Water Company, a disconnection fee of $25.00 shall be charged; or in the event the delinquent sewer bill is collected by the water company, an administrative fee of $25.00 will be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for nonpayment of a sewer bill in conjunction with a water service termination agreement with the West Virginia American Water Company, is reconnected a reconnection fee of $25.00 shall be charged.

DELAYED PAYMENT PENALTY
On all current usage billings not paid in full by the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE
The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of $100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of $900.00, or the actual cost of the connection (solely determined by the Sanitary Board), whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT
An amount not to exceed $2.00 per 1,000 gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on customer's side of meter. This rate shall be applied to all such consumption above the customer's historical average usage. The Huntington Sanitary Board shall establish a nondiscriminatory policy regarding the provision for leak adjustments.

INDUSTRIAL SURCHARGE RATES
Rate applicable to Biological Oxygen Demand (BOD) Concentration in excess of 300 mg/l $0.356 per pound

Rate applicable to Total Suspended Solids (TSS) Concentration in excess of 350/mg/l $0.338 per pound

EFT, CREDIT CARD AND DROP BOX PAYMENTS
A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE II

APPLICABILITY
Applicable in entire territory served

AVAILABILITY OF SERVICE
Available for resale customers

RESALE RATES
Based on flow of sewage from flow meter reading $2.0319 per 1,000 gallons.
Based on water usage $2.635 per 1,000 gallons

RETURNED CHECK
A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DELAYED PAYMENT PENALTY
On all current usage billings not paid in full by the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

EFT, CREDIT CARD AND DROP BOX PAYMENTS
A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE III

APPLICABILITY
Applicable in entire territory served

AVAILABILITY OF SERVICE
Available for wastewater and leachate haulers

RATES
Commodity Charge: Each hauler shall pay a commodity charge of $40.00 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined or verified solely by the Sanitary Board.

RETURNED CHECK CHARGE
A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DELAYED PAYMENT PENALTY
On all current usage billings not paid in full by the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

EFT, CREDIT CARD AND DROP BOX PAYMENTS
A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE IV

MUNICIPAL EXCISE TAX SURCHARGE
The municipality listed below, having imposed public utility tax computed on the basis of two percent of revenues from sewer service sales by the sewer utility within the corporate limits of such municipalities, shall be billed as a "surcharge" to the customers receiving service within said corporate limits.

The sewer utility is required to collect the utility tax pursuant to West Virginia Code Section 8-13-5a.

Customers receiving sewer service within the corporate limits of the specified municipality shall pay a surcharge on the following surcharge rates.

Utility Excise Tax
Municipality Huntington
Local Tax Rate 2%
Surcharge Rate 2%

SCHEDULE V

This schedule is deleted — all customers formerly served by Cito Water and Sewerage Company are now served by the Huntington Sanitary Board.

SCHEDULE VI -
All Customers

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of industrial waste will be calculated on the basis of the following formula:

$C_s = V_oV_s + B_cB_s + S_cS_s$
C_s = Surcharge to unusual users per year
V_o = Average unit cost of transport and treatment chargeable to volume, in dollars per gallon
V_s = Volume of wastewater from unusual users in gallons per year
B_c = Average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound.
B_s = Weight of BOD from unusual users in pounds per year
S_c = Average unit cost of treatment including sludge treatment chargeable to total solids in dollars per pound
S_s = Weight of total solids from unusual users in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which in the judgment of the Huntington Sanitary Board, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation, monitoring and audit of the Huntington Sanitary Board's records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refunds given by the Sanitary Board, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as stated.

SCHEDULE VII -
All Customers

APPLICABLE INSIDE AND OUTSIDE THE CORPORATE LIMITS OF THE SANITARY BOARD OF THE CITY OF HUNTINGTON

Where the amount of sanitary sewage discharged into the Sanitary Board's waste treatment system by certain industrial plant or plants cannot be accurately determined by the use of the Sanitary Board's water meter or meters, and the said plant cannot install a flow meter to measure such waste, a specific formula will be used whereby such plant or plants will pay to Sanitary Board a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

SECTION 2. EFFECTIVE DATE

The Rates and Charges provided herein for Phase I shall be effective 45 days after the enactment hereof.

The Rates and Charges provided herein for Phase II shall become effective upon completion of the proposed sewer system upgrade project or upon commencement of such service, whichever first occurs.

SECTION 3. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date of the fees, rates and charges as herein set forth, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, but the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon first reading hereof, the City Clerk shall, pursuant to the provisions of West Virginia Code 8-11-4, 8-13-15 and 16-13-16, publish notice of this Ordinance in The Herald Dispatch, being a newspaper published and of general circulation in Cabell County, West Virginia. Said notice shall be published as a Class I publication with the first publication occurring at least ten (10) days prior to the date set before the meeting of the City Council at which a public hearing, a final reading and a vote on the ordinance will be held. Said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on the 9th day of June, 2009 at 6:30 p.m., and present protests, if any. 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.

Further, said Notice shall advise the public that a copy of this Ordinance is available for public inspection.

CITY OF HUNTINGTON

LH-73[illegible]

TARIFF FORM NO. 12

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

732474

NOTICE is hereby given that the CITY OF HUNTINGTON has adopted by ordinance, on June 8, 2009, a tariff consisting a two-phase increase in rates, tolls and charges for furnishing of sewer service by its Sanitary Board to 22,439 customers in Huntington and vicinity, in Cabell County, West Virginia.

Phase I of the proposed increased rates and charges will become effective July 24, 2009, unless otherwise ordered by the Public Service Commission, and will produce approximately $940,312 annually in additional revenue, an increase of 15%. The average monthly bill for the various classes of customers will be changed as follows:

BASED ON	($) INCREASE	INCREASE (%)
Residential (4,500 gal/mo)	$ 2.82	15 %
Commercial (4,500 gal/mo)	$ 2.82	15 %
Industrial (4,500 gal/mo)	$ 2.82	15 %
Governmental (4,500 gal/mo)	$ 2.82	15 %
Resale (4,567,867 gal/mo)	$ 0	0 %

Phase II of the proposed increased rates and charges below will become effective upon completion of a CSO wet weather control project to be undertaken by the City of Huntington, commencement of debt service associated with said project, or three years unless otherwise ordered by the Public Service Commission, and will produce approximately $1,143,928 annually in additional revenue, an increase of 18.4%. The average monthly bill for the various classes of customers will be changed as follows:

BASED ON	($) INCREASE	INCREASE (%)
Residential (4,500 gal/mo)	$1.84	8.2 %
Commercial (4,500 gal/mo)	$1.84	8.2 %
Industrial (4,500 gal/mo)	$1.84	8.2 %
Governmental (4,500 gal/mo)	$1.84	8.2 %
Resale (4,567,867 gal/mo)	$ 782.75	8.8 %

The increases shown are stated as averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than shown. Furthermore, the revised rates and charges are only a proposal and are subject to change (increase or decrease) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer affected by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility, or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination, or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the offices of the City Clerk, City of Huntington, 800 5th Avenue, Huntington, West Virginia, and the Offices of the Sanitary Board, 1217 Adams Avenue, Huntington, WV.

A copy of the proposed rates is available for public inspection at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINA,
COUNTY OF CABELL, TO-WIT:

I, Lacie Pierson being first duly sworn, depose and say that I am Legal Clerk for The Herald-Dispatch, a corporation, who publishes at Huntington, Cabell County, West Virginia, the newspaper: The Herald-Dispatch, an independent newspaper, the morning seven days each week. Monday through Sunday including New Year's Day, Memorial Day, the Fourth of July, Labor Day, Thanksgiving and Christmas; that I have been duly authorized by the Board of Directors of such corporation and the newspaper mentioned herein; that the legal advertisement attached in the left margin of this affidavit and made a part hereof and bearing number LH-732474 was duly published in

The Herald-Dispatch

one time, once a week for 1 successive weeks, commencing with its issue of the 13 day of June, 2009 and ending with the issue of the 20 day of June, 2009 and was posted at the East door of the Cabell County Courthouse on 13 day of June, 2009; that said legal advertisement was published on the following dates:

6-20-2009

that the cost of publishing said annexed advertisement as aforesaid was $429.98; that such newspaper in which such legal advertisement was published has been and is now published regularly, at least as frequently as once a week for at least fifty weeks during the calendar year as prescribed by its mailing permit, and has been so published in the municipality of Huntington, Cabell County, West Virginia, for at least one year immediately preceding the date on which the legal advertisement set forth herein was delivered to such newspaper for publication; that such newspaper is a newspaper of "general circulation" as defined in Article 3, chapter 59, of the West Virginia Code, within the publication area or areas of the municipality of Huntington, Cabell and Wayne Counties, West Virginia, and that such newspaper is circulated to the general public at a definite price or consideration, that such newspaper on each date published consists of not less than four pages with out a cover; and that it is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices.

Taken, subscribed and sworn to before me in my said county this 21st day of July, 2009.

My Commission expires June 2, 2012

Lacie Pierson

Constance L. Rapp
Notary Public
Cabell County
West Virginia

CITY OF HUNTINGTON
WEST VIRGINIA

COUNCIL
City Hall, P.O. Box 1659, Zip 25717
Phone (304) 696-5530

RULES
FOR THE TRANSACTION OF BUSINESS BY THE HUNTINGTON CITY COUNCIL

SECTION 1 - MEETINGS

A. REGULAR MEETINGS

Council shall meet regularly on the second and fourth Monday of each month at 7:30 p.m., in the Council Chambers of City Hall, excepting only when a regularly scheduled Council meeting shall occur on a legal holiday. Council may designate the City Auditorium, or such other appropriate and convenient location, as the Council Chambers for purposes of conducting its regular meetings and any special meetings that may be called pursuant to the provisions of Subsection B of this Section hereinafter set forth.

B. SPECIAL MEETINGS

Special meetings may be called at any time, upon reasonable notice by the Mayor or the Chairperson of Council, and shall be so called by the Chairperson upon the request of a majority of all members of Council.

The requirement of reasonable notice may be satisfied by hand delivering or by sending by certified mail to each member of Council a written notice of the time, place and purpose of the special meeting. In any case delivery of notice must be made on each member of Council at least twelve hours prior to the time set for the meeting, provided a Council member may waive the notice requirement by filing a written statement

of such waiver with the City Clerk prior to the meeting.

C. LEGAL HOLIDAYS

Whenever a regularly scheduled meeting shall fall on a legal holiday, the following day which is not a Saturday, Sunday or legal holiday shall be deemed to be in the one intended.

SECTION 2 - CHAIRPERSON PRESIDING OFFICER: ABSENCE OF QUORUM

The Chairperson shall preside at all meetings of Council.

At the appointed hour for the meeting, the Chairperson shall take the chair, and call the members of Council to order.

If a quorum be present, the meeting shall be opened for the transaction of business.

If a quorum shall fail to attend the meeting within twenty (20) minutes after the appointed time for such meeting, those present may adjourn to such time as a majority of those present shall determine, after the names of those present shall be entered in the journal.

A majority of the total number of Council members shall constitute a quorum for any purpose not requiring more than a majority vote of Council.

SECTION 3 - PRESIDING OFFICER IN ABSENCE OF CHAIRPERSON

In the absence of the Chairperson, the Vice-Chairperson shall preside at the meeting.

In the absence of the Chairperson and Vice-Chairperson, the Clerk shall call Council to order, and upon motion, Council shall elect one of its members present as a temporary Chairperson, and such temporary Chairperson shall preside at the meeting.

SECTION 4 - POWERS OF PRESIDING OFFICER

The presiding officer is vested with the authority to preserve order and decorum during meetings of Council. The presiding officer may order the removal of any person who disrupts or otherwise interferes with the orderly conduct of business. The presiding officer shall also decide all points of order subject, however, to appeal to Council, and shall have the right to call any member of Council to the chair for any part of the meeting.

SECTION 5 - ATTENDANCE AT MEETING AND VACANCIES IN COUNCIL

Attendance at meetings and vacancies in Council shall be governed by Section 3.13 of the Charter of the City of Huntington.

In addition, members are expected to attend all work sessions, unless they notify the City Clerk or Assistant City Clerk of illness, absence from the City, or other appropriate excuse.

SECTION 6 - ORDINANCES

An ordinance shall be adopted by Council only in cases and with respect to the matters enumerated by the Charter of the City of Huntington or by general law.

If an ordinance is not required by the provisions of the Charter of the City of Huntington, or by general law, Council shall act by resolution.

SECTION 7 - FILING OF ORDINANCES AND RESOLUTIONS

All ordinances and resolutions shall be adopted in conformity with the provisions of general law, and shall be

submitted to the City Clerk prior to 4:30 p.m. on the Wednesday before the meeting at which time the ordinance or resolution shall be submitted for its first or only reading, as may be required by general law.

B. All items submitted to the City Clerk as described in Paragraph A above shall be reviewed by the Chairperson for the items inclusion on the Agenda. The Chairperson shall establish the Agenda for the upcoming Council Meeting no later than 12:00 p.m. the Thursday before the meeting at which time the ordinance or resolution may be submitted for its first or only reading, as may be required by general law and make the final determination as to the items which will appear on the same. Provided That: any item which has been requested, in writing, by any Council member shall be placed on the Agenda with or without the consent of the Chairperson.

C. Notwithstanding Paragraph B, all items set for second reading on the upcoming Council Agenda may not be deleted from the same by the Chairperson.

D. Any item whcih does not appear on the Agenda, for which it has been submitted shall be deemed withdrawn and shall be required to be resubmitted as described in Paragraph A above for consideration and inclusion upon the next Council Agenda.

SECTION 8 - ORDINANCE PROCEDURE

Proposed ordinances shall be read by title only at the first meeting that they are placed on the Council's agenda. Ordinances may be read in their entirety if requested by a

member. There shall be no vote taken on first reading except where an amendment is proposed. When an amendment is proposed, only the issue as to whether the amendment should be incorporated shall be taken up by Council. If there are no amendments to a proposed ordinance on first reading, Council shall move to the next item without a vote. A motion to delete shall be in order on the first reading of an ordinance. If such a motion is made and properly seconded, Council shall vote on whether to delete the item, after giving the public an opportunity to comment. If, by a majority vote, Council votes to delete, the item will be removed from the agenda and will not be read a second time at the next meeting of Council.

If the principal object of an ordinance is the raising of revenue, the Clerk shall cause a Class I-O legal advertisement to be published giving notice of the proposed ordinance's consideration. The notice shall state the subject matter and title, the date, time and place of the proposed final vote on adoption, and the place or places within the municipality where the proposed ordinance may be inspected.

All ordinances shall be advertised before the second reading of each ordinance. Thereafter, a vote may be called. No material amendments may be made to an ordinance on second reading.

Where an ordinance, having been submitted to Council for consideration in accordance with the procedures set forth in this Section, and in Chapter 8, Article 11 of the West Virginia Code, as amended, and in SECTION 3.9 of the CHARTER OF

THE CITY OF HUNTINGTON, WEST VIRGINIA, has failed to receive the number of votes of members of Council required for adoption and enactment into law, the Council shall not hear or consider said ordinance, nor shall such ordinance be read before the Council at any regular or special meeting thereof for a period of six (6) months immediately next succeeding the date that the ordinance was last considered and voted upon by the Council.

SECTION 9 RESOLUTION PROCEDURE

Every proposed resolution shall be read by title at one meeting of this Council.

SECTION 10 - STANDING COMMITTEES

There shall be the following standing committees for the purpose of better informing the Council and its members of the work of various city departments, and for the purpose of working with the Mayor.

The standing committees shall include the following:

a. Administration and Finance

b. Personnel

c. Public works

d. Economic and Community Development

e. Public Safety (Police, Fire, Legal, Municipal Court

f. Recreation (Civic Center, Harris Riverfront Park)

g. Solid Waste Management

h. Planning and Zoning

In addition to the standing committees, special

purpose committees may be appointed as the need arises.

Appointments to all committees will be made by the Chairperson with the advice and consent of Council.

Committees shall meet during budget preparation time and as needed. Written or oral reports will be made at least quarterly to the full Council.

SECTION 11 - ORDER OF BUSINESS

At every regular meeting of Council, the order of business shall be as follows:

a. Invocation

b. Pledge to Flag

c. Roll Call

d. Reading of Synopsis of the Last Regular Meeting

e. Reports of Mayor

f. Ordinances on Second Reading

g. Ordinances on First Reading

h. Resolutions

i. Good & Welfare

SECTION 12 - DEPARTURE FROM ORDER OF BUSINESS

There is to be no departure from the order of business as set forth in these rules except upon the consent of eight of eleven of the members present and voting, seven of ten of the members of Council present and voting or six of eight or nine of the members of Council present and voting.

SECTION 13 - SUSPENSION OF RULES

No rule of Council shall be suspended except by consent of eight of eleven of the members present and voting, seven of ten of the members of Council present and voting or six of eight or nine of the members of Council present and voting. Any such suspension of rules may be made by motion.

SECTION 14 - SPECIAL ORDER BUSINESS

When any matter is made the special order of business for a future meeting, it shall take priority over all other business to be considered at said meeting.

SECTION 15 - WITHDRAWAL OF MATTERS BEFORE COUNCIL

After any communication, petition, complaint, protest, ordinance, resolution or report has been read to the Council by the presiding officer, City Clerk, any member of Council or any other officer or party, the same shall be deemed to be in the possession of the Council, and cannot be withdrawn, except upon a majority vote of the members of Council present and voting.

SECTION 16 - MOTION

After a motion is made and seconded, it shall be stated by the presiding officer before it is debated. The

Council person making the motion shall be the first recognized.

SECTION 17 - METHOD OF VOTING

A rolling roll call vote shall be used at each council meeting where a roll call vote is required to be used under these rules. A rolling roll call vote shall mean that at the first roll call vote of the meeting, the Clerk shall call the roll in alphabetical order except that the Chairperson's name is called last. Upon each subsequent roll call vote taken at the same meeting, the Clerk will then begin the roll call with the next person's name in alphabetical order, so that the same person shall not be required to vote first on all issues: Provided, That the Chairperson shall always vote last.

All ordinances shall be voted upon by roll call. The presiding officer shall determine the method of voting on resolutions, whether it be roll call or voice vote: Provided, That all votes on financial matters and leases be by roll call; and Provided, That any member of Council may call for a roll call vote. If a roll call vote is not called for, the presiding officer shall determine the result. If there is a lack of a clear majority on a voice vote, a roll call vote shall be taken.

The presiding officer shall announce the result of each vote, and the Clerk shall enter the result in the journal.

All members present shall vote on the issue, question, motion, resolution, or other business, and no vote of abstention, disqualification, pass or other similar such vote shall be permitted except as provided by Charter of general law. If there is a conflict of interest, it must be stated before voting

begins.

SECTION 18 - MEMBERS NOT TO WITHDRAW

After a member of Council has, at any meeting, been recorded as present, he or she shall not, without permission of the presiding officer, absent himself from such meeting until adjourned.

SECTION 19 - CONDUCT OF MEMBERS

Every member of Council shall confine himself or herself to the question before the Council, and avoid personal references or language which is not conducive to the orderly transaction of business.

No member shall interrupt another while speaking, except to make a point of order, the point to be briefly stated to the presiding officer.

No member shall, while the Council is sitting, interrupt or hinder its business by standing, moving about, talking, expressing approval or disapproval or any of the proceedings, or by tending to disrupt or confuse.

SECTION 20 - RECOGNITION OF MEMBERS

When two or more members of Council request recognition at the same time, the presiding officer shall name the one first to speak.

SECTION 21 - LIMITATION ON NUMBER AND LENGTH OF SPEECHES

No member of Council shall speak more than once on the same question, until every member choosing to speak shall have done so, nor more than twice, nor for a period of time in excess

of fifteen minutes on any question, without permission of the majority of Council present at said meeting.

SECTION 22 - CALLING MEMBERS TO ORDER

If, in speaking, any member of Council transgresses the rules of the Council, the presiding officer shall call him or her to order.

If there be no appeal, the decision of the chair shall govern.

If the decision of the Chair be in favor of the member called to order, he or she may proceed. If otherwise, he or she shall not proceed, except by a majority of the members of the Council present.

SECTION 23 - ADDRESSES BY NON-MEMBERS

Citizens of the City of Huntington exercise their right to a democratically elected government by voting for the candidate of their choice.

Nevertheless, nonmembers may voice their opinions on issues during public hearings and Good and Welfare. The following rules shall apply:

a. Speakers are limited to five minutes on any topic before the Council unless being questioned by a member of the Council. The chair may grant an extension of time to any speaker unless there is an objection to such extension by a member of the Council. If there is such an objection time can be extended only by a 2/3rds vote of the Council present and voting.

b. Speakers are required to limit discussion to only those matters before Council during public hearings.

c. Discussion of all relevant issues are permissible during Good and Welfare.

d. No speaker may address the Council more than once on any specific topic without the majority of the Council present and voting, concurring.

e. Speakers must comply with the rules of conduct stated in Section 19.

Speakers and members of the audience failing to comply with this section or otherwise disrupting the orderly proceedings of meetings are subject to immediate removal by the presiding officer and subject to prosecution pursuant to WV Code Section 61-6-19.

Any citizen may address City Council regarding the issues before it, upon second reading of an Ordinance after Council has discussed the issue and on any Resolution after Council has discussed the issue. Further, any citizen may address the Council on any issue under the Good and Welfare section of the Agenda. A sign-up sheet shall be provided and those persons whose names appear on the same shall be asked to speak first and in the order their names appear on said sheet for the item which their name appears. However, no person shall be prohibited from speaking for having failed to sign their name to the sign-up sheet.

SECTION 24 - ROBERT'S RULES OF ORDER

The proceedings of Council, except as otherwise provided in these rules, shall be governed by the edition of Robert's Rules of Order maintained and used in the office of the City Attorney.

SECTION 25 - CHAIRPERSON & VICE-CHAIRPERSON

At the first meeting of Council in July of each year, Council shall, by majority vote, elect one of its members as Chairperson, and one of its members as Vice-Chairperson, both of whom shall serve until the first meeting of Council at the next succeeding year, unless earlier removed by Council.

These Rules were adopted by Resolution of Council on March 23,

1992. (11 yeas; 0 nays). Copy of Resolution may be found in the Council file for March 23, 1992.

The last paragraph of Section 8 was added to the Rules by Resolution of Council on November 23, 1992. (9 yeas; 2 nays - Barrett, Zink). Copy of Resolution may be found in the Council file for November 23, 1992.

Under Section 1 - Meetings, A. Regular Meetings, the following sentence was added. "Council may designate the City Auditorium or such other appropriate and convenient location, as the Council Chambers for purposes of conducting its regular meetings and any special meetings that may be called pursuant to the provisions of Subsection B of this Section hereinafter set forth." This was adopted by Resolution of Council on February 22, 1993. (10 yeas; 0 nays; 1 absent - Alexander). Copy of Resolution may be found in the Council file for February 22, 1993.

The "Proposed Changes to the Huntington City Council Rules" were adopted on August 9, 1993 as indicated on the attached resolution. (10 yeas; 0 nays; 1 absent - Grubb)

Section 23 was amended on July 7, 1997 and has been incorporated into the Rules and Regulations. (10 yeas; 0 nays; 1 absent - Polan) See Council file, July 7, 1997.

Section 17 was amended on September 22, 1997 and has been incorporated into the Rules and Regulations. (9 yeas; 0 nays; 2 absent - Maass, Patterson) See Council file, September 22, 1997.

Section 23 was amended on September 22, 1997 and has been incorporated into the Rules and Regulations. (9 yeas; 0 nays; 2 absent - Maass, Patterson) See Council file, September 22, 1997.

A RESOLUTION OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING THE RULES FOR THE TRANSACTION OF BUSINESS BY THE HUNTINGTON CITY COUNCIL BY AMENDING, MODIFYING AND RE-ENACTING SECTION 7 REGARDING THE FILING OF ORDINANCES AND RESOLUTIONS; AGENDA.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HUNTINGTON, CABELL AND WAYNE COUNTIES, WEST VIRGINIA, that Section 7 of the Rules for the Transaction of Business by the Huntington City Council is hereby AMENDED, MODIFIED and RE-ENACTED to read as follows:

SECTION 7 - FILING OF ORDINANCES AND RESOLUTIONS; AGENDA

A. All ordinances and resolutions shall be adopted in conformity with the provisions of general law, and shall be submitted to the City Clerk prior to 4:30 p.m. on Wednesday before the meeting at which time the ordinance or resolution may be submitted for its first or only reading, as may be required by general law.

B. All items submitted to the City Clerk as described in Paragraph A above shall be reviewed by the Chairperson for the items inclusion on the Agenda. The Chairperson shall establish the Agenda for the upcoming Council Meeting no later than 12:00 p.m. the Thursday before the meeting at which time the ordinance or resolution may be submitted for its first or only reading, as may be required by general law and make the final determination as to the items which will appear on the same. Provided That; any item which has been requested, in writing, by ~~at least four (4) Council Members~~ any Council member shall be placed on the Agenda with or without the consent of the Chairperson.

C. Notwithstanding Paragraph B, all items set for second reading on the upcoming Council Agenda may not be deleted from the same by the Chairperson.

D. Any item which does not appear on the Agenda for which it has been submitted shall be deemed withdrawn and shall be required to be re-submitted as described in Paragraph A above for consideration and inclusion upon the next Council Agenda.

BE IT FURTHER RESOLVED, that all other articles and provisions of the Rules for the Transaction of Business by the Huntington City Council shall remain in full force and effect until the further action of this Council.

SPONSORED BY: COUNCILMAN CHUCK POLAN

APPROVED AS TO FORM BY: JLH

ACTION TAKEN BY COUNCIL: Motion by Councilman Kent to change the last sentence, under Section 7, B to read "by any Council member" instead of "by at least four (4) Council Members"; seocnded by Councilman Ellis.(10 yeas; 0 nays; 1 absent - Cline) ADOPTED AS AMENDED (10 yeas; 0 nays; 1 absent - Cline)

DATE: 11-23-98

Ann C. Shaye

ANN C. SHAYE, CITY CLERK

DATE. 11-23-98

JEAN DEAN, MAYOR

APPROVE

DATE:

VETO

In accordance with Section 2.7 of the Charter I shall not take action upon this Resolution.
Jean Dean
Mayor
11-25-98

Mayor Dean chose not to sign this resolution; therefore, it became operative on December 7, 1998 at 12:00 p.m., noon.

Ann C. Shaye

Ann C. Shaye, City Clerk

ARTICLE 169
Sanitary Board

169.01 Creation; members.
169.02 Sewerage collection system supervision; expenditures; revenue bonds.
169.03 Rules and regulations.
169.04 Compensation; Secretary and Treasurer.

CROSS REFERENCES

Composition of Board - see W. Va. Code 16-13-18
Publication of financial statement - see W. Va. Code 16-13-18a
Powers and duties - see W. Va. Code 16-13-3 et seq.

169.01 CREATION; MEMBERS.

There is hereby created a Sanitary Board to consist of three members. The Mayor is hereby designated as a member of the Board, and the Mayor shall select the two other members of the Board subject to approval by Council. The persons so selected and the terms of their respective offices and all other matters relating thereto shall be in accordance with the provisions of State law. (Ord. 3-11-35)

169.02 SEWERAGE COLLECTION SYSTEM SUPERVISION; EXPENDITURES; REVENUE BONDS.

The custody, administration, operation and maintenance of any sewerage collection system or other works that may be constructed or required under the provisions of law and of this article shall be under the supervision and control of the Sanitary Board. All necessary preliminary expense actually incurred by the Board in the making of surveys, estimates of costs and revenues, employment of engineers, attorneys or other employees, the giving of notices, taking of options, and all other expense of whatsoever nature necessary to be paid prior to the issue and delivery of the revenue bonds, shall be paid out of the General Fund of the City not otherwise appropriated, in the manner provided in West Virginia Code 16-13-4; provided, however, that the funds of the City from which such payments are made shall be fully reimbursed and repaid by the Board out of the first proceeds of the sale of revenue bonds. (Ord. 3-11-35)

169.03 RULES AND REGULATIONS.

The further regulation and control of the Sanitary Board, except in so far as the Board is given authority by law to organize itself and establish its own by-laws, rules and regulations, is hereby reserved and may be set forth from time to time by Council by proper ordinance, within the terms of State law. (Ord. 3-11-35)

169.04 COMPENSATION; SECRETARY AND TREASURER.

Until the further order of Council the members of the Sanitary Board shall serve without compensation. The Board is hereby directed to select a Secretary and Treasurer pursuant to West Virginia Code 16-13-18. The bond of the Treasurer is hereby fixed at five thousand dollars ($5,000). Such bond shall be given by a recognized surety company, and the cost of the premium thereof shall be paid by the Board as part of its expenses.
(Ord. 3-11-35)

AN ORDINANCE CREATING A SANITARY BOARD

WHEREAS, Chapter 25 of the Acts of the West Virginia Legislature, First Extraordinary Session 1933, as amended, authorizes this city to own, acquire, construct, equip, operate and maintain a sewerage collection system or a sewerage treatment plant or plants, and other works or projects incident thereto, and to acquire, by gift, grant, purchase, condemnation or otherwise, all necessary lands, rights-of-way and property therefor, and to issue revenue bonds to pay the cost thereof, but such bonds not to be obligations of this city, but to be payable solely from the funds provided for by said Act. And said Act further provides that this council, as the governing body of this city, shall create a Sanitary Board, composed of three members, two to be selected by this council and the third to be the Mayor of this city, who is by said Act made a member of said Board, and that the construction, acquisition, improvement, equipment, custody operation and maintenance of any such sewerage collection system or works, and the collection of revenues therefrom for the services rendered thereby, shall be under the supervision and control of such Sanitary Board; and

WHEREAS, it is considered to the best interests of this city that a Sanitary Board be created, as provided in said Act as amended.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HUNTINGTON, WEST VIRGINIA, that a Sanitary Board, within the meaning of said Act as amended, be, and the same is hereby created, and, pursuant to the provisions of said Act, the Mayor of this City is hereby designated as a member of said Board, and this council shall select the other two members of said Board at such time as this council may determine. The persons so selected and the terms of their respective offices and all other matters relating thereto shall be in accordance with the provisions of said Act, to which reference is hereby expressly made.

BE IT FURTHER ORDAINED, that the custody, administration, operation and maintenance of any sewerage collection system or other works that may be constructed or acquired under the provisions of said Act and of this ordinance shall be under the supervision and control of said Sanitary Board created as aforesaid. All necessary preliminary expense actually incurred by said Board in the making of surveys, estimates of costs and revenues, employment of

engineers, attorneys or other employees, the giving of notices, taking of options, and all other expense of whatsoever nature necessary to be paid prior to the issue and delivery of the revenue bonds, pursuant to the provisions of said Act, shall be paid out of the general funds of the city not otherwise appropriated, in the manner provided in Section 4 of said Act; provided, however, that the funds of said city from which such payments are made shall be fully reimbursed and repaid by the said Board out of the first proceeds of the sale of revenue bonds provided for in said Act.

BE IT FURTHER ORDAINED, that, until the further order of this council, the compensation of the two members of said Board to be selected by this council shall be, and the same is hereby fixed at Twenty-five Dollars ($25.00) per month for each of said two members. The third member of said Board, being the Mayor of this city, who is already compensated, shall not receive any compensation for his services as a member of said Board in addition to the salary received by him as Mayor of this city. Said Board is hereby directed to select a Secretary and Treasurer, pursuant to the provisions of Section 18 of said Act. It is contemplated that such Secretary and Treasurer will be required to give only a part of his or her time to the duties of said office, and for such part time duties, his or her compensation shall be and is hereby fixed at Fifty Dollars ($50.00) per month until changed by order of the council. The bond of the Treasurer is hereby fixed at Five Thousand Dollars ($5,000.00). Such bonds shall be given by a recognized surety company, and the cost of the premium thereof shall be paid by said Board as part of its expense.

BE IT FURTHER ORDAINED, that the further regulation and control of said Sanitary Board, except in so far as said Board is given authority by said Act to organize itself and establish its own by-laws, rules and regulations, is hereby reserved and may be set forth from time to time by this council by proper ordinance, within the terms of said Act of the Legislature as necessity therefor may arise.

BE IT FURTHER ORDAINED THAT, until the further order of this council that the members of the Board hereby created shall serve without compensation. Said Board is hereby directed to select a Secretary and Treasurer pursuant to the provisions of Section 18 of said Act. It is contemplated that such Secretary and Treasurer will be required to give only a part of his or her time to

the duties of said office, and for such part time duties, his or her compensation shall be and is hereby fixed at Fifty Dollars ($50.00) per month until changed by order of the council. The bond of the Treasurer is hereby fixed at Five Thousand Dollars ($5,000.00) Such bonds shall be given by a recognized surety company, and the cost of the premium thereof shall be paid by said Board as part of its expenses.

PASSED BY THE COUNCIL OF THE CITY OF HUNTINGTON
March 11, 1935.

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came JIM ASHWORTH who, being by the undersigned authority first duly sworn upon oath, says the following:

"I solemnly swear that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of HUNTINGTON SANITARY BOARD for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: X James D. Ashworth

Oath administered by: Kathryn Falone

Taken, subscribed and sworn to before me this 26th day of February, 2008.

Kathryn A. Falone
NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the 19th day of November, 2013

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came JACK KLIM who, being by the undersigned authority first duly sworn upon oath, says the following:

"I solemnly swear that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of HUNTINGTON SANITARY BOARD for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: Jack Klim

Oath administered by: K Jo Lorie

Taken, subscribed and sworn to before me this 18th day of June, 2008.

Kathryn A. Jo Lorie
NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the 18th day of November, 2013

Councilman Caserta cited Section II, Paragraph F of the Comcast agreement, "The City does not have the authority to regulate Comcast's decisions regarding cable television programming." He suggested full review of the current agreement.

There being no further discussion and after voice vote duly taken, the resolution was unanimously adopted.

Reappointment: HUNTINGTON SANITARY BOARD – John J. (Jack) Klim, Jr. – 1st Term

REAPPOINTMENT

Motion to adopt by Councilman Adkins; 2nd by Councilman Farrell.

This action would reappoint Mr. Klim to a first full term after having served an unexpired term on the Huntington Sanitary Board.

Reappointment was confirmed by unanimous voice vote.

Confirmation of Appointment: HUNTINGTON URVAN RENEWAL AUTHORITY – Nate Randolph – 1st Term

CONFIRMATION OF APPOINTMENT

Motion to confirm by Councilman Ritter; 2nd by Councilman Insco.

Mayor Felinton stated that Mr. Randolph would serve a first term on HURA.

Appointment was confirmed by unanimous voice vote.

Good & Welfare

GOOD & WELFARE

Councilman Insco encouraged everyone to attend the East Kiwanis Pancake Breakfast on Saturday, March 15th.

Scott Caserta asked that the telephone pole be repaired in front of 821 25th Street. There still is a need to replace the light between 25th Street and Artisan Avenue and 8th Avenue. In front of 3021 Wallace Circle, two bags of carpet remnants need to be picked up.

Councilman Kent requested that lights be replaced in the 3-1/2 alley behind Chili Willi's and Jewel City Seafood. These have been out for months, turned in to AEP and the city for action and nothing has been done to date. There is an abandoned car on Miller Road that needs to be taken care of. Potholes on Enslow Boulevard need to be addressed since this is a narrow street alongside the creek.

Councilman Ritter spoke about excessive noise and damage done by ATVs on Vinson Road and the floodwall, erosion of floodwall property, and the need for laws to be enacted prohibiting these vehicles. A problem was reported in the 4900 block of Auburn Road regarding an electrical outage at the pump station. The junk cars, junk and debris at the old Rich Station on Adams Avenue and 3rd Street west property needs to be cleaned up. There are six lights out from Auburn Road to Brandon Road that have been reported. The city should receive recourse from AEP for inoperable streetlights that have not been repaired.

STATE OF WEST VIRGINIA

COUNTY OF CABELL

This day came KIM WOLFE who, being by the undersigned authority first duly sworn upon oath, says the following:

"I solemnly swear that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of HUNTINGTON SANITARY BOARD for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: Kim Wolfe Mayor

Oath administered by: Kelli Workman

Taken, subscribed and sworn to before me this 15th day of January, 20 17.

Kathryn A Torlone
NOTARY PUBLIC
Cabell County, West Virginia

My commission expires the ____ of ____, 20____

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHRYN A. TORLONE
CITY OF HUNTINGTON
800 FIFTH AVENUE
HUNTINGTON, WV 25701
My commission expires November 18, 2018

Police Chief Holbrook stated that the police office would not be a precinct. It would be a field office only and would be occupied as needed. It will also house the Weed & Seed Office and the K-9 Unit and bicycle officers will utilize the facility. This is an opportunity to decentralize some police services and connect in a troubled area. Chief Holbrook introduced Mr. Tim White who will be directing the Weed & Seed Program.

Councilman Houck commented that the building will be used for many community services, not only police services.

Councilman Randolph remarked that this mirrors a project near Tupelo, Mississippi which had a very good success rate. Local businesses are making donations to help get the building livable again.

Upon roll call vote duly taken, the resolution was adopted (10 yeas, 0 nay, 1 absent-Jackson).

Resolution re: A RESOLUTION FOR THE REVISION OF THE FISCAL YEAR 2008-2009 GENERAL FUND BUDGET — RESOLUTION RE BUDGET REVISION

"WHEREAS, the Council of the city of Huntington, Counties of Cabell and Wayne, has found it necessary to revise the fiscal year 2008-2009 Levy Estimate; and WHEREAS, these various adjustments are made on WV State Auditor-Chief Inspector Division Forms CID BR 1180 which are attached hereto and made a part hereof. NOW, THEREFORE, BE IT RESOLVED by the Council of the city of Huntington, Counties of Cabell and Wayne, that the Finance Director be and is hereby directed to submit a copy of the revision to the State Auditor of the state of West Virginia for his approval, under the provisions of Chapter 11, Section 8, Articles 146, 25 and 26a of the Code of the State of West Virginia."

Councilman Caserta moved to adopt, 2nd by Councilwoman Clements.

Finance Director Runyon delineated the budget revision as follows: Federal Grant of $175,000 for the Weed & Seed Grant, State Grant of $25,000 for a LEDA Grant for improvements at the YMCA Kennedy Center; also a transfer of $44,200 from the Contingency Fund to the Street Department for an emergency purchase for four salt spreaders.

Upon roll call vote duly taken, the budget resolution was adopted (10 yeas, 0 nay, 1 absent-Jackson).

Re-Appointment: CABELL HUNTINGTON HEALTH DEPARTMENT BOARD OF DIRECTORS – Sally Oxley (1st full term) — REAPPOINTMENT

Councilwoman Clements moved to adopt, 2nd by Councilwoman Thacker. Upon voice vote duly taken, the appointment was approved.

Appointment: HUNTINGTON SANITARY BOARD – Kim Wolfe — APPOINTMENT

Councilman Bates moved for approval, 2nd by Councilman Caserta. Upon voice vote duly taken, the appointment was approved.

Appointment: HUNTINGTON MUNICIPAL DEVELOPMENT AUTHORITY – Kim Wolfe — APPOINTMENT

Councilman Bates moved for approval, 2nd by Councilman Caserta. Upon voice vote duly taken, the appointment was approved.

Appointment: TRI-STATE TRANSIT AUTHORITY – Rebecca Thacker (filling unexpired term to 8/14/09) — APPOINTMENT

Councilman Williams moved to postpone until the first regular City Council Meeting in September 2009, which was seconded by Councilman Bates. Upon voice vote duly taken, the postponement was unanimously approved.

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

PETITION OF SANITARY BOARD

The Sanitary Board of The City of Huntington (the "City") hereby petitions the Council of the City to enact an ordinance directing that sewerage revenue bonds of the City be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed $8,000,000, for the purpose of financing the costs of certain additions, betterments and improvements and acquisition and construction of certain improvements to the existing public sewerage system of the City, together with all necessary appurtenances, and the costs of issuance and related costs.

Directed this 19th day of August, 2009.

THE CITY OF HUNTINGTON

By: _____
Its: Chairman

10.22.09
435500.00005

CH5229307

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 A
(West Virginia SRF Program)

EXCERPT OF MINUTES ON ADOPTION OF SUPPLEMENTAL RESOLUTION AND SWEEP RESOLUTION

The undersigned City Clerk of The City of Huntington (the "City") hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of the City.

* * * * * * * * *

The Council of the City met in regular session, pursuant to notice duly given, on the 28th day of December, 2009, in Huntington, West Virginia, at the hour of 7:30 p.m.

PRESENT:	Kim Wolfe	- Mayor
	Barbara Nelson	- City Clerk
	Rebecca Thacker	- Councilmember
	Teresa Loudermilk	- Councilmember
	Nate Randolph	- Councilmember
	Jim Insco	- Councilmember
	James Ritter	- Councilmember
	Sandra Clements	- Councilmember
	Mark Bates	- Councilmember
	Scott Caserta	- Councilmember
	Russell Houck	- Councilmember
	Steve Williams	- Councilmember
ABSENT:	Frances Jackson	- Councilmember

Kim Wolfe, Mayor, presided, and Barbara Nelson, acted as City Clerk.

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE

SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF HUNTINGTON; APPROVING A CONFORMED ORDINANCE; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion.

Thereupon, on motion duly made by Steve Williams and was seconded, it was unanimously ordered that the above-entitled Supplemental Resolution be finally enacted and put into effect immediately.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Sandra Clements and was seconded, it was unanimously ordered that the said Sweep Resolution be adopted.

* * * * * * * * *

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

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SYNOPSIS
REGULAR MEETING
HUNTINGTON CITY COUNCIL
August 24, 2009

Council Chairman Jim Insco called the August 24, 2009 Huntington City Council meeting to order at 7:30 p.m.

(1 & 2) Invocation, Pledge & Roll Call:

Father Mark Elliott gave the invocation and Councilwoman Clements led the Pledge of Allegiance.

Council members present were Bates, Caserta, Clements, Houck, Insco, Jackson, Loudermilk (entered @ 8:05 p.m.), Randolph, Thacker and Williams.
Councilman Ritter was absent.
Also present were Mayor Kim Wolfe, Director of Administration & Finance Brandi Jacobs-Jones, City Attorney Scott McClure, Huntington Sanitary Board Director Loretta Covington, Development Director Charles Holley, Public Works Director Wayne Pollard and City Clerk Barbara Nelson.

(3) Synopsis:

Councilman Bates moved to approve the synopsis of the August 10, 2009 City Council meeting. The motion was 2nd by Councilman Randolph and unanimously adopted.

(4) Reports of the Mayor

Mayor Wolfe commended those who responded to a recent building collapse along Hal Greer Boulevard. It was through their careful direction that nobody was hurt in this incident.

Twenty-eight structures were placed on the demolition list at the last meeting of the Unsafe Building Commission meeting.

The city's paving program has begun and a total of 47.5 tons of asphalt has been spread thus far. This paving is being paid for via City Service Fee funds.

(5) 3rd Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 773 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, REGARDING MUNICIPAL SERVICE FEE

Councilwoman Clements moved to adopt, 2nd by Councilman Randolph.

Mayor Wolfe explained that this would ensure that all city fees and taxes are current upon real estate property transfers. This was presented in accordance with the city's Home Rule Program.

Tom McCallister, 317 Washington Ave., questioned whether an ordinance had been adopted regarding home rule. Chairman Insco felt that some legislation had been adopted regarding home rule and will check to be sure. City Attorney McClure assured that an ordinance was approved for the submission of the Home Rule Proposal. The items Huntington wanted to

establish were taken before the State Home Rule Board and given approval as one of the four Home Rule Municipalities. Mr. McClure will check to be sure all tasks were completed to proceed with our home rule legislation.

There being no further discussion, Chairman Insco called for the vote.

Upon roll call vote duly taken, the ordinance was adopted (9 yeas, 0 nay, 1 absent at time of vote-Loudermilk, 1 absent-Ritter).

(6) 2nd **Reading of an Ordinance re:** AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH THE HUNTINGTON SANITARY BOARD WITH SAND AND SLAG

Councilman Caserta moved to adopt, 2nd by Councilman Bates.

The successful bidder was Huntington Gravel & Sand of Huntington, WV at an approximate cost of $43,000.00 which a budgeted item of the Huntington Sanitary Board.

Upon roll call vote duly taken, the ordinance was adopted (9 yeas, 0 nay, 1 absent at time of vote-Loudermilk, 1 absent-Ritter).

(7) 2nd **Reading of an Ordinance re:** AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF HUNTINGTON, WV, 1998, AND THE ZONE MAP ATTACHED THERETO AS A PART THEREOF, BY ZONING TO C-2 HIGHWAY COMMERCIAL FROM C-1 NEIGHBORHOOD COMMERCIAL THE PROPERTY LOCATED AT 651 ADAMS AVENUE, CCTM 27, PARCEL 400

Councilman Bates moved to adopt, 2nd by Councilwoman Clements.

Don Kleppe, Development & Planning, explained that the petitioner requested this zoning change through the Planning Commission and is to open and operate an automobile repair service station.

Councilman Randolph asked if there was a way to allow the petitioner to do the requested repair work under the current C-1 Neighborhood Commercial zoning. Mr. Kleppe explained that the petitioner could have applied for a special permit through the Board of Zoning Appeals which would allow more leniency regarding the types of vehicle service allowed; but they chose to request the entire zoning classification change which would allow for such operations.

Councilman Caserta asked if members of the public were present at the Planning Commission meeting. Mr. Kleppe reported that there was one person present in support of and two persons present to speak in opposition of the rezoning. Those in opposition were concerned with the wider diversity of use and more intensity of use that the property could be put to if rezoned.

Paul Hart, property owner, explained that the use of the property would be for a tire shop and he had no plans to use it for a lottery establishment or a bar. The building bays are not large enough to work on very large vehicles, which is one of the reasons he requested the rezoning.

Councilman Williams asked the age of the building, which was reported to be in excess of 20 years.

D. Everett Fullerton, 981 Madison Ave., spoke in opposition of this rezoning.

Tom McCallister spoke in favor of the rezoning.

Upon roll call vote duly taken, the ordinance was adopted (9 yeas, 0 nay, 1 absent during vote-Loudermilk, 1 absent-Ritter).

(8) 2nd **Reading of an Ordinance re:** AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH THE CITY'S PUBLIC WORKS DEPARTMENT WITH TWO (2) NEW DUMP TRUCKS

Motion to adopt by Councilman Williams and seconded by Councilman Bates.

The successful bidder was Matheny Motor Truck Company, Parkersburg, WV at a cost not to exceed $120,000.00. This five-year lease purchase is provided for in the 2009-2010 budget.

Upon roll call vote duly taken, the ordinance was adopted (9 yeas, 0 nay, 1 absent during vote-Loudermilk, 1 absent-Ritter).

(9) 2nd **Reading of an Ordinance re:** AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 1760 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, REGARDING LAND BANK

Councilman Randolph moved to adopt, 2nd by councilman Caserta.

Councilman Randolph explained that this program will allow the city to purchase properties for unpaid taxes. Unredeemed properties will be remediated in order to get them back on the tax roles thereafter. There is the possibility that the Huntington Urban Renewal Authority (HURA) will need assistance from the city for funding in the first two years.

Councilwoman Loudermilk entered the meeting at this time.

Councilman Williams was concerned that the city may have to provide some form of funding for this, especially when it was at one time mentioned that HURA had access to funds to be used for this program's line of credit. Councilman Randolph explained that there will be a period of time between when properties are purchased and when they can be redeemed and/or sold. Projections indicate that the total investment to stabilize the properties during the first two cycles will be slightly over $200,000 each year. That combined with the cost of remediation will likely cause the need for some funding assistance through the city.

Deputy Mayor Tom Bell stated that there is an 18 month cycle on the properties. There needs to be sufficient working capital to purchase properties this year, less the amount redeemed, but to also purchase properties in the second cycle the following year. A portion of the monies needed will be used for the stabilization of properties. Thus it is important to have the funds available through HURA but also an adequate line of credit to cover expenses in the first two complete cycles. Other funding mechanisms are also being explored to help with property remediation.

Councilman Williams was concerned with whether this could turn into an ongoing general fund obligation from the city. He understands from this discussion that it could be but likely will not become an ongoing city commitment.

Chairman Insco handed the gavel to Vice Chairman Bates.

Councilman Insco noted that boards such has HURA have at times borrowed monies and sold bonds without the knowledge of City Council. If a board with such obligations has financial difficulties and cannot sustain itself, then their obligation(s) falls back on the city's general fund for which Council is responsible. He would like to see the ordinance have a provision stating Council will be notified whenever the Authority borrows, sells, receives a line of credit or expends any monies.

Councilman Insco moved to amend Section 1760.15 by changing the word biennially to quarterly and to also add the sentence "The Authority shall also provide a written report to City Council of any fund transfers, any borrowing, lines of credit and/or monies receive by the Land Bank Authority within five days of such transactions." Councilman Caserta seconded the motion.

Councilman Williams asked if the amendment would be considered material thus sending the ordinance to a third reading. City Attorney McClure did not consider the amendment to be substantial requiring another reading because the ordinance already requires Council reporting and this only modifies the logistics of that reporting. Thus this could be adopted at this meeting.

Upon voice vote duly taken, the amendment was adopted unanimously (10 yeas, 0 nay, 1 absent-Ritter).

Chairman Insco resumed the chair at this time. There was no further discussion on the ordinance as amended and the vote was then called for.

Upon roll call vote duly taken, the ordinance was adopted as amended (10 yeas, 0 nay, 1 absent-Ritter).

(10) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH APPROXIMATELY ONE HUNDRED (100) BAR CODE READERS TO BE UTILIZED BY THE CITY OF HUNTINGTON POLICE DEPARTMENT AND VARIOUS POLICE DEPARTMENTS IN THE SURROUNDING AREA

Mountain State Computer & Network Solutions of Huntington, WV was the successful bidder at $369 per unit. Funds will be provided through a state grant for these bar code readers which will be used to scan drivers' licenses.

This ordinance will be advertised.

(11) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO PROVIDE LEGAL SERVICES TO THE DEPARTMENT OF DEVELOPMENT & PLANNING

Flynn, Max, Miller & Toney of Huntington, WV was the successful bidder at $100 per hour for attorney and $45 per hour for legal assistants and is not to exceed $75,000.

This ordinance will be advertised.

(12) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH AND INSTALL FENCING AND GATES ALONG WITH BARB WIRE AROUND THE STREET/FLOODWALL DIVISION

This is for fencing to secure equipment. The winning bidder was McNeil Fence Company, Huntington, WV at $19,625.

This ordinance will be advertised.

(13) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT WITH L. ROBERT KIMBALL & ASSOCIATES

Mayor Wolfe explained this was for consulting services to perform a study to identify any areas of improvement within the city's Sanitation Department.

Dr. Wayne Pollard, Public Works Director, was unsure when the study would be completed and stated it should only last a few months.

This ordinance will be advertised.

(14) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT WITH TRIAD ENGINEERING, INC.

Charles Holley, Development Director, explained that this contract to provide Phase I and Phase II environmental assessments at various sites throughout the city. The total contract is not to exceed $178,000 and will be funded through a $200,000 Brownfield Assessment Grant awarded last year.

City Attorney McClure felt an amendment should be included indicating that the contract would not exceed $178,000. Councilman Caserta moved to make this amendment, which Councilwoman Loudermilk seconded. Upon voice vote duly taken, the amendment was adopted unanimously (10 yeas, 0 nay, 1 absent-Ritter).

Mr. Holley stated that this will not be used for petroleum sites and could be used for most other environmental assessment.

This ordinance will be advertised.

(15) 1st Reading of an Ordinance re: AN ORDINANCE AUTHORIZING THE PAYMENT OF THE SERIES 2009 A BONDS AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF HUNTINGTON OF NOT MORE THAN $8,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $8,000,000

IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); PROVIDING THE RIGHTS AND REMEDIES OF A SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING ARRA ASSISTANCE AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO

Councilman Williams asked if this would be for the issuance of $16 million in bonds. John Stump, bond counsel for the Huntington Sanitary Board, indicated it would not. Mr. Williams asked for an explanation of the Series 2009A and Series 2009B bonds.

Mr. Stump explained this to be the next step in the race for federal stimulus funds for which application has been made. The worst case scenario for these funds is currently 20 years @ 3.0% under Series A funding. The best case scenario for these projects would be under the Series B funding which is 20 years @ 2.0%. Also, there is still the possibility of green, 100% forgivable funding for additional projects which were built into the rate increase previously approved by council. Approval of this will take three readings before City Council with the third reading on September 28th.

Councilman Williams pointed out that these are revenue bonds, not general obligation bonds, which Mr. Stump affirmed.

Councilman Williams announced that a Finance Committee meeting would be held in the near future to allow further review this ordinance.

This ordinance will have a second reading at the next scheduled meeting of Council.

(16) Resolution re: A RESOLUTION OF COUNCIL AND THE MAYOR SUPPORTING THE MARSHALL COMMUNITY & TECHNICAL COLLEGE LOCATING IN THE DOWNTOWN HUNTINGTON AREA

Councilman Caserta moved to adopt, 2nd by Councilwoman Clements.

Mayor Wolfe expressed gratitude for support of this ordinance. As mandated by state law, the Marshall Community & Technical College must locate away from the Marshall University campus. This resolution shows support for the MTCT campus to locate in the downtown area of Huntington.

Councilman Caserta was happy to sponsor this resolution. Downtown Huntington would be an excellent place for the MTCT to locate with the many amenities here for the students and faculty.

Councilman Williams gave his support for the resolution. This is an important decision for the downtown area of the city.

Upon voice vote duly taken, the resolution was unanimously adopted (10 yeas, 0 nay, 1 absent-Ritter).

(17) Resolution re: A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ACCEPT THE CONDITIONS OF A LOCAL ECONOMIC DEVELOPMENT ASSISTANCE

GRANT (LEDA) WITH THE WV DEVELOPMENT OFFICE IN THE AMOUNT OF ONE THOUSAND FIVE HUNDRED DOLLARS ($1,500.00) ON BEHALF OF THE CITY OF HUNTINGTON FOUNDATION

Councilwoman Thacker moved to adopt, 2nd by Councilman Bates.

These grant funds will be used by the Police Department for a K-9 vehicle.

Upon voice vote duly taken, the resolution was unanimously adopted (10 yeas, 0 nay, 1 absent-Ritter).

(18) **Resolution re:** A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ACCEPT THE CONDITIONS OF A LOCAL ECONOMIC DEVELOPMENT ASSISTANCE GRANT (LEDA) WITH THE WV DEVELOPMENT OFFICE IN THE AMOUNT OF THIRTEEN THOUSAND DOLLARS ($13,000.00) ON BEHALF OF THE CITY OF HUNTINGTON FOUNDATION

Councilwoman Thacker moved to adopt, 2nd by Councilwoman Clements.

These grant funds will also be used by the Police Department for a K-9 vehicle.

Upon voice vote duly taken, the resolution was unanimously adopted (10 yeas, 0 nay, 1 absent-Ritter).

(19) **Resolution re:** A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ACCEPT THE CONDITIONS OF A LOCAL ECONOMIC DEVELOPMENT ASSISTANCE GRANT (LEDA) WITH THE WV DEVELOPMENT OFFICE ON BEHALF OF THE MADIE CARROLL HOUSE PRESERVATION SOCIETY

Councilwoman Thacker moved to adopt, 2nd by Councilwoman Jackson.

These grant funds will be used to replace the wooden deck around the Madie Carroll House.

Upon voice vote duly taken, the resolution was unanimously adopted (10 yeas, 0 nay, 1 absent-Ritter).

(20) **Resolution re:** A RESOLUTION OF COUNCIL RATIFYING, APPROVING AND CONFIRMING AN EMERGENCY PURCHASE OF A NEW RADIO REPEATER FOR THE HUNTINGTON POLICE DEPARTMENT

Councilman Houck moved to adopt, 2nd by Councilman Bates.

This is for the purchase of updated Police Department radio equipment and is needed for the safety of the officers.

Upon voice vote duly taken, the resolution was unanimously adopted (10 yeas, 0 nay, 1 absent-Ritter).

(21) Resolution re: A RESOLUTION COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CABELL COUNTY YOUTH VIOLENCE GRANT AGREEMENT ON BEHALF OF THE A. D. LEWIS CENTER

Councilwoman Clements moved to adopt, 2nd by Councilwoman Loudermilk.

This $6,000 grant will provide mentoring services.

Upon voice vote duly taken, the resolution was unanimously adopted (10 yeas, 0 nay, 1 absent-Ritter).

(22) Resolution re: A RESOLUTION FOR THE REVISION OF THE FISCAL YEAR 2009-2010 GENERAL FUND BUDGET

Councilman Williams moved to adopt, 2nd by Councilman Bates.

Mayor Wolfe explained that this budget resolution as well as Agenda Items 23 and 24 were necessary to close out the 2008-2009 budget. The resolutions bring all encumbrances forward into the 2009-2010 budget.

Upon voice vote duly taken, the resolution was unanimously adopted (10 yeas, 0 nay, 1 absent-Ritter).

(23) Resolution re: A RESOLUTION FOR THE REVISION OF THE FISCAL YEAR 2009-2010 GENERAL FUND BUDGET

Councilman Williams moved to adopt, 2nd by Councilman Randolph.

Councilman Williams asked for an explanation of this adjustment to the unencumbered fund balance. Finance Director Deron Runyon explained this was a year-end procedure to bring the unencumbered fund balance of $1,007,000 forward into the new budget year, of which approximately $472,000 is the contingency.

Mr. Williams asked for a report on current revenues. Mr. Runyon reported that preliminary figures indicate that July is slightly ahead of last year. B&O tax revenue is now slightly behind last year's revenues though it is very early in the quarter.

Upon voice vote duly taken, the resolution was unanimously adopted (10 yeas, 0 nay, 1 absent-Ritter).

(24) Resolution re: A RESOLUTION FOR THE REVISION OF THE FISCAL YEAR 2009-2010 COAL SEVERANCE TAX FUND BUDGET

Councilman Williams moved to adopt, 2nd by Councilman Randolph.

Upon voice vote duly taken, the resolution was unanimously adopted (10 yeas, 0 nay, 1 absent-Ritter).

(25) Appointment: TRANSIT AUTHORITY BOARD – Randall T. Moore (4th term)

Councilman Caserta moved to approve, 2nd by Councilwoman Jackson.

Councilman Williams inquired into the process for board and committee appointments. Chairman Insco explained that council members can make recommendations through the City Clerk's office, citizens can submit their name for consideration, and the commission can make a recommendation. All appointments are reviewed by the Council Personnel Committee. Reappointments are not generally interviewed by the Personnel Committee. The Personnel Committee then gives their recommendation to council.

Mr. Williams noted that Mr. Moore is a joint appointment between Cabell County and the City and asked if the County had acted on the appointment. Chairman Insco stated they had.

Tom McCallister commented that this would be a fourth term for Mr. Moore and feels that would be a charter violation and he should not serve more than three terms.

Upon roll vote duly taken, the appointment was unanimously adopted (10 yeas, 0 nay, 1 absent-Ritter).

(26) **Appointment:** TRANSIT AUTHORITY BOARD – Mary Neely (filling unexpired term)

Councilman Caserta moved to approve, 2nd by Councilwoman Jackson.

Councilman Williams moved to refer this appointment to the Personnel Committee for further review and Councilman Bates seconded.

Councilman Williams requested this review because there were two positions on the Transit Authority Board open and three recommendations on this agenda. He feels it would be best for the Personnel Committee to review these and narrow the recommendations down to two persons to fill the positions.

Upon voice vote duly taken, the motion to refer to Committee was unanimously adopted (10 yeas, 0 nay, 1 absent-Ritter).

(27) **Appointment:** TRANSIT AUTHORITY BOARD – Rebecca Thacker (1st term)

Councilman Caserta moved to approve, 2nd by Councilman Williams.

Councilman Caserta moved to refer to the Personnel Committee, 2nd by Councilman Bates.

Tom McCallister spoke in opposition to the referral.

Upon voice vote duly taken, the motion to refer to Committee was unanimously adopted (10 yeas, 0 nay, 1 absent-Ritter).

(28) **Appointment:** TRANSIT AUTHORITY BOARD – Russell Houck (1st term)

Councilman Caserta moved to approve, 2nd by Councilman Randolph.

Councilman Caserta moved to refer to the Personnel Committee, 2nd by Councilman Randolph.

Upon voice vote duly taken, the motion to refer to Committee was unanimously adopted (10 yeas, 0 nay, 1 absent-Ritter).

(29) Good & Welfare

Councilwoman Thacker received complaints about Huntington's Most Wanted not being shown on the city's public access television station and asked for an explanation. Mayor Wolfe is to check into this and report back. Councilman Houck has spoken with Mr. Kendall about this who indicated he was waiting to receive this information from the Sheriff's office and the Huntington Police Department for publication.

Councilwoman Thacker spoke with the Transit Authority about having a bus stop on 9th Street between 3rd and 4th Avenues, and they stated they would when requested to do so.

Councilman Randolph asked about the fee structure for payment of the City Service Fee. Mr. Runyon explained that the fee can be remitted by employers on a quarterly basis at a minimum. The $156 yearly fee can be broken out as $3/week, $6/bi-weekly, $6.50/bi-monthly, or $13/month.

Councilwoman Clements received a complaint about the lack of lighting on the 8th Street parking lot as well as in the 1200 block of Fourth Avenue.

Councilman Bates requested an update on the reconnection of the drains that were disconnected during the paving of Forest Park Lane. The gas company did work along Enslow Boulevard and the pavement has not been repaired. Residents of Navaho Trail have requested de-annexation, which City Attorney McClure is working with these residents to determine the circumstances of the request.

Chairman Insco requested an inspection of McClure's Tavern on Bridge & Buffington Streets in Guyandotte to ensure they are properly licensed as well as the pub located next to it.

D. Everett Fullerton commented on yard sale signs that are illegally posted throughout the city.

Tom McCallister agreed that illegal signs need to be reported and removed. Regarding Home Rule, he feels it is unconstitutional. Since the State allowed several cities to adopt laws under Limited Home Rule, Huntington should consider doing something about the landfill; but first Home Rule needs adopted. Chairman Insco reported that the Home Rule ordinance was adopted on 12/21/2007.

Curt McHaffie, 816 4th Street, wants to see Huntington's Most Wanted back on the public access television station as soon as possible.

There being no further business and upon motion duly made, the meeting was adjourned at 9:35 p.m.

SYNOPSIS
REGULAR MEETING
HUNTINGTON CITY COUNCIL
September 14, 2009

Council Chairman Jim Insco called the September 14, 2009 Huntington City Council meeting to order at 7:30 p.m.

(1 & 2) Invocation, Pledge & Roll Call:

Roslyn Foster gave the invocation and Councilman Randolph led the Pledge of Allegiance.

Council members present were Bates, Clements, Houck, Insco, Jackson, Randolph, Ritter, Thacker and Williams.
Council members Loudermilk and Caserta were absent.
Also present were Mayor Kim Wolfe, Director of Administration & Finance Brandi Jacobs-Jones, Assistant City Attorney Lora Maynard and City Clerk Barbara Nelson.

(3) Synopsis:

Councilman Bates moved to approve the synopsis of the August 24, 2009 City Council meeting. The motion was 2nd by Councilman Ritter and unanimously adopted.

(4) Reports of the Mayor

Mayor Wolfe reported on the benefit dinner/program to raise funds for the Huntington Police and Fire Departments as well as the City of Huntington Foundation. The Huntington Fire Department collected about $5,900 for the Muscular Dystrophy Association through its annual boot drive. The X-Fest at Harris Riverfront Park was successful this past weekend. There was a town hall meeting with Chef Jamie Oliver who is producing a television program in this area about healthy eating habits. Huntington's Most Wanted is again being posted on the public access station channel #24. Former police reserve officer Charles Butler recently passed away.

Larry Kendall, Highway Safety Office, presented Police Chief Holbrook with a new laser gun for the traffic unit.

(5) 2nd Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH APPROXIMATELY ONE HUNDRED (100) BAR CODE READERS TO BE UTILIZED BY THE CITY OF HUNTINGTON POLICE DEPARTMENT AND VARIOUS POLICE DEPARTMENTS IN THE SURROUNDING AREA

Councilman Houck moved to adopt, 2nd by Councilman Bates.

These bar code readers would be purchased from Mountain State Computer and Network Solutions, Huntington, WV at $369 per unit and will be paid for with state grant funds.

Upon voice vote duly taken, the ordinance was adopted (9 yeas, 0 nay, 2 absent-Caserta and Loudermilk).

(6) 2nd **Reading of an Ordinance re:** AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO PROVIDE LEGAL SERVICES TO THE DEPARTMENT OF DEVELOPMENT & PLANNING

Councilwoman Thacker moved to adopt, 2nd by Councilwoman Clements.

This three-year contract for legal services for the Department of Development & Planning will be awarded to Flynn, Max, Miller & Toney of Huntington, WV @ $100/hour for attorney and $45/hour for legal assistant, not to exceed $75,000. This will be paid for through the HOME and Community Development Block Grant (CDBG) funds.

Ray Browning, 146 Gallaher St., asked how these legal services qualify for CDBG monies. Chairman Insco explained that the attorney services are used to monitor the CDBG, HOME and Emergency Shelter grants and those programs.

Upon voice vote duly taken, the ordinance was adopted (9 yeas, 0 nay, 2 absent-Caserta and Loudermilk).

(7) 2nd **Reading of an Ordinance re:** AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH AND INSTALL FENCING AND GATES ALONG WITH BARB WIRE AROUND THE STREET/FLOODWALL DIVISION

Councilman Randolph moved to adopt, 2nd by Councilman Bates.

Mayor Wolfe explained that the fencing will be installed to protect vehicles and equipment located at 94 West Third Avenue. Approval will award the contract to McNeil Fence Company of Huntington, WV at $19,625. Funds are available in the 2009-2010 budget.

Councilman Bates asked if this would house the new equipment and vehicles being purchased, which was affirmed.

Councilwoman Clements asked if this was the only bid received which Mayor Wolfe confirmed.

Tom McCallister, 317 Washington Ave., pointed out that Section 14.11 of the City Charter requires the city to have a central garage and motor pool where all vehicles are to be stored. He questioned this expenditure when there is not currently central garage/motor pool, which is a charter violation. He does support fencing this area.

Upon voice vote duly taken, the ordinance was adopted (9 yeas, 0 nay, 2 absent-Caserta and Loudermilk).

(8) 2nd **Reading of an Ordinance re:** AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT WITH L. ROBERT KIMBALL & ASSOCIATES

Councilwoman Clements moved to adopt, 2nd by Councilwoman Jackson.

Approval will award to Robert Kimball & Associations a contract not to exceed $10,000 for a study of the Sanitation and Trash Division. The study will include expanded collection efficiency studies/evaluations, long-term transportation and disposal cost options and long-term department operation and maintenance plans.

Tom McCallister asked if privatization would be explored, which Chairman Insco said it would not. Director of Administration & Finance Brandi Jacobs-Jones stated that the current project is for a time study and to look at the merits of a transfer station. It is hoped to use this company for future Public Works Department studies. Mr. McCallister asked where the transfer point would be. This will be determined by the study. Mr. McCallister felt such studies had been done in past years.

Councilman Ritter hopes that the study will help the city find some cost savings within the Sanitation Trash Division.

Upon voice vote duly taken, the ordinance was adopted (9 yeas, 0 nay, 2 absent-Caserta and Loudermilk).

(9) 2nd Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT WITH TRIAD ENGINEERING, INC.

Councilman Randolph moved to adopt, 2nd by Councilwoman Clements.

This contract, not to exceed $178,000, will provide technical assistance in implementing a city-wide Brownfield Assessment Grant to study sites in order to identify existing or possible hazardous materials. This will be paid for through a $200,000 EPA grant.

Upon voice vote duly taken, the ordinance was adopted (9 yeas, 0 nay, 2 absent-Caserta and Loudermilk).

(10) 2nd Reading of an Ordinance re: AN ORDINANCE AUTHORIZING THE PAYMENT OF THE SERIES 2009 A BONDS AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF HUNTINGTON OF NOT MORE THAN $8,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $8,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); PROVIDING THE RIGHTS AND REMEDIES OF A SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING ARRA ASSISTANCE AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO

Chairman Insco pointed out that this second reading requires a third reading at the next regularly scheduled City Council Meeting, at which time the public hearing will be held.

Mike Griffith, CPA for the Huntington Sanitary Board, explained that the ordinance would authorize borrowing not more that $8 million and relates to the rate increase recently approved by Council and will be used for long-term improvements.

This ordinance will be authorized.

(11) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH THE HUNTINGTON POLICE DEPARTMENT WITH ONE HUNDRED TEN (110) GLOCK MODEL 21SF .45 CALIBER PISTOLS

Mayor Wolfe reported that the winning bidder was KH Police Supply, Clarksburg, WV, at $52,800. This company will also accept trade-ins on old pistols.

Chairman Insco handed the gavel to Vice Chair Bates.

Councilman Insco understood that there would be no general fund monies used for this purchase, which Chief Holbrook affirmed. Mr. Insco asked what would happen to the existing pistols. Chief Holbrook stated that they would be offered for sale to the employee or would be traded-in. Thus, the net cost to the department should be just under $20,000.

Councilman Insco resumed the chair.

This item will be advertised.

(12) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH THE HUNTINGTON FIRE DEPARTMENT WITH ONE (1) NEW CUSTOM PUMPER FIRE APPARATUS

Councilman Bates moved to postpone this to the next regularly scheduled meeting of Council. Councilwoman Clements seconded the motion, which was adopted by unanimous voice vote.

(13) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH LABOR AND MATERIALS TO REPAIR THE ROOF OF THE CITY GARAGE

The winning bidder is Fairfax Inc., Chesapeake, Ohio at $11;000.

This ordinance will be advertised.

(14) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH LABOR, MATERIALS AND EQUIPMENT FOR THE OLD MAIN CORRIDOR IMPROVEMENTS, PHASE I PROJECT

The winning bidder was C. J. Hughes Construction Company, Inc., Huntington, WV at $626,426.59. This will be paid via CDBG and stimulus funds.

This ordinance will be advertised.

(15) 1st Reading of an Ordinance re: AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF HUNTINGTON, WEST VIRGINIA, 1998, AND THE ZONE MAP ATTACHED THERETO AS A PART THEREOF, BY ZONING TO C-2 HIGHWAY COMMERCIAL FROM I-1 INDUSTRIAL THE PROPERTY LOCATED AT 745 3rd STREET W., CABELL CO. TAX MAP 43, PARCEL 96, LOTS 8 THROUGH 23

This request is to rezone the former Waggoner Brothers building on West 8th Avenue. The petitioner is interested in putting apartment and storage buildings on the property.

Councilwoman Jackson reported that this received a favorable recommendation from the Planning Commission.

This ordinance will be advertised.

(16) 1st Reading of an Ordinance re: AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF HUNTINGTON, WEST VIRGINIA, 1998, AND THE ZONE MAP ATTACHED THERETO AS A PART THEREOF, BY ZONING TO C-1 NEIGHBORHOOD COMMERCIAL FROM R-5 RESIDENTIAL THE PROPERTY LOCATED AT 1349 6th AVENUE, CABELL CO. TAX MAP 30, PARCEL 119, PART OF LOT 7

Mayor Wolfe reported that the rezoning received a favorable recommendation from the Planning Commission.

This ordinance will be advertised.

(17) Resolution re: A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH THE WEST VIRGINIA DEPARTMENT OF TRANSPORTATION FOR TRANSPORTATION ENHANCEMENT PROGRAM FUNDS

Councilwoman Clements moved to adopt, 2nd by Councilman Randolph.

Mayor Wolfe reported that these grant funds in the amount of $164,400 are for the Huntington Floodwall Trail (3rd Street West to 14th Street West). The Cabell County Commission pledged $25,000 toward a 20% match and the City of Huntington will commit the remaining $16,100 of the match which will come from the 2009 Energy Efficiency Conservation Block Grant Funds.

Upon voice vote duly taken, the resolution was unanimously adopted (9 yeas, 0 nay, 2 absent-Caserta and Loudermilk).

(18) Resolution re: A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO APPLY FOR A GOVERNOR'S HIGHWAY SAFETY PROGRAM GRANT

Councilman Houck moved to adopt, 2nd by Councilman Bates.

This is a grant application in the amount of $462,000 which funds would be used by the Traffic Safety Office for office operations, traffic checkpoints, child safety seat programs, as well as other training and public education programs.

Upon voice vote duly taken, the resolution was unanimously adopted (9 yeas, 0 nay, 2 absent-Caserta and Loudermilk).

(19) Resolution re: A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ACCEPT THE CONDITIONS OF A GOVERNOR'S COMMUNITY PARTICIPATION GRANT WITH THE WEST VIRGINIA DEVELOPMENT OFFICE ON BEHALF OF THE HUNTINGTON YMCA KENNEDY CENTER

Councilman Bates moved to adopt, 2nd by Councilwoman Jackson.

This is to accept a $1,000 grant for the YMCA Kennedy Center.

Upon voice vote duly taken, the resolution was unanimously adopted (9 yeas, 0 nay, 2 absent-Caserta and Loudermilk).

(20) Resolution re: A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A GRANT CONTRACT AGREEMENT WITH THE DIVISION OF CRIMINAL JUSTICE SERVICES TO RECEIVE AND ADMINISTER GRANT FUNDS

Councilman Williams moved to adopt, 2nd by Councilwoman Clements.

This is to enter into a $18,260 grant for the A. D. Lewis & Fairfield East Community Centers for juvenile assistance programs.

Upon voice vote duly taken, the resolution was unanimously adopted (9 yeas, 0 nay, 2 absent-Caserta and Loudermilk).

(21) Resolution re: A RESOLUTION OF COUNCIL RATIFYING, APPROVING AND CONFIRMING THE EMERGENCY PURCHASE FOR THE SHORT-TERM REPAIR TO THE CITY'S MAINTENANCE GARAGE

Councilman Bates moved to adopt, 2nd by Councilwoman Clements.

Mayor Wolfe explained that this is $14,088 will be used to reinforce the ramp at the city's maintenance garage. This is a short-term repair because anything more would entail extensive construction.

Councilman Randolph stated he would abstain from voting on this resolution due to a conflict of interest.

Upon voice vote duly taken, the resolution was adopted (8 yeas, 0 nay, 1 abstention-Randolph, and 2 absent-Caserta and Loudermilk).

(22) Appointment: TRANSIT AUTHORITY BOARD – Rebecca Thacker (1st term)

Councilman Ritter moved to approve, 2nd by Councilman Bates.

Upon voice vote duly taken, the appointment was unanimously adopted.

(23) **Appointment:** TRANSIT AUTHORITY BOARD – Russell Houck (filling unexpired term)

Councilman Ritter moved to approve, 2nd by Councilman Bates.

Upon voice vote duly taken, the appointment was unanimously adopted.

(24) **Confirmation of Appointment:** HUNTINGTON WEST VIRGINIA HOUSING AUTHORITY BOARD OF COMMISSIONERS – Susan Gillette (filling unexpired term)

Councilman Houck moved to approve, 2nd by Councilwoman Clements.

Upon voice vote duly taken, the appointment was unanimously adopted.

(24) **Good & Welfare**

Councilman Ritter reported overgrown grass and weeds at 3815 Auburn Road that need cut. The alleyway behind 3600 Bradley needs graded and gravel. In the 3200 block of Bradley there is a an unlicensed car that has been there for several months. He thanked the Police Department for having a cruiser stationed at Vinson Middle School in the afternoons.

Councilwoman Jackson asked the status of the search for a new fire chief. She reminded that the Charter only allows for such positions to be vacant for no more than 60 days. Mayor Wolfe reported that the committee is still in the process of narrowing down the applicants. Ms. Jackson reported difficulties at several city bars. Mayor Wolfe is to have this investigated. Councilwoman Clements also received complaints on a bar which has a patio that seems to be overcrowded which is a safety concern.

Councilman Randolph noted some difficulties with the recently approved Land Bank and requested an update. Mayor Wolfe reported that the administration is working with the State Auditor's Office, Governor's Office and Sheriff's office on this.

Councilwoman Thacker received complaints of bus service not stopping at Pullman Square. The bus cannot stop because of cars parking/blocking at the bus stop.

Chairman Insco, with regard to the bar issues just raised, suggested revisiting the bar moratorium which was proposed several months ago. He also asked for the staff microphone to be replaced behind Council.

Ray Browning expressed concerns with traffic signal timing through the city. There are heavy trucks traveling Enslow Boulevard which is posted for nothing to traverse it over a certain weight. This needs better patrolled.

Tom McCallister took exception with a recent board appointment which he feels is beyond appropriate limits. Chairman Insco pointed out that that appointment was not to a City of Huntington board/commission. Mr. McCallister expressed concern with the length of time it is taking to replace the Fire Chief.

There being no further business and upon motion duly made and seconded, the meeting was adjourned.

SYNOPSIS
REGULAR MEETING
HUNTINGTON CITY COUNCIL
September 28, 2009

Council Chairman Jim Insco called the September 28, 2009 Huntington City Council meeting to order at 7:30 p.m.

(1 & 2) Invocation, Pledge & Roll Call:

Reverend Green gave the invocation and Councilwoman Clements led the Pledge of Allegiance.

Council members present were Bates, Caserta, Clements, Houck, Insco, Jackson, Loudermilk, Randolph, Ritter, Thacker and Williams.
Also present were Mayor Kim Wolfe, Director of Administration & Finance Brandi Jacobs-Jones, City Attorney Scott McClure, Finance Director Deron Runyon and City Clerk Barbara Nelson.

(3) Synopsis:

Councilman Bates moved to approve the synopsis of the September 14, 2009 City Council meeting. The motion was 2nd by Councilwoman Clements and unanimously adopted.

(4) Reports of the Mayor

Mayor Wolfe reported that 49 tons of asphalt have been used to patch potholes in the last eight days and paving is continuing via the City Service Fee funds. The former Woman's Club on Huntington Avenue was recently demolished. The search for a new fire chief is down to two finalists: John Matthew Lee of Maryland and Greg Moore of Virginia. Interviews for Assistant Public Works Director will begin next week. The Police Department recently apprehended graffiti artists, which enforcement has been increased.

Mayor Wolfe presented the following proclamations: One proclaiming October 2009 as Breast Cancer Awareness Month in the City of Huntington; and another proclaiming October 4-10, 2009 as Fire Prevention Week in the City of Huntington. Acting Fire Chief Provaznik announced that the Fire Prevention Parade would be held on Monday, October 10.

Mayor Wolfe announced that the ordinance regarding collection of fees at the time of real estate transfers of properties located within Huntington's city limits will take effect on October 1, 2009.

(5) 3rd Reading of an Ordinance re: AN ORDINANCE AUTHORIZING THE PAYMENT OF THE SERIES 2009 A BONDS AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF HUNTINGTON OF NOT MORE THAN $8.000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $8.000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF

PROGRAM/ARRA); PROVIDING THE RIGHTS AND REMEDIES OF A SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING ARRA ASSISTANCE AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO

Councilman Williams moved to adopt, 2nd by Councilman Randolph.

John Stump, of Steptoe & Johnson, explained that the ordinance authorizes up to $8 million in clean water SRF bonds and up to $8 million in clean water SRF ARRA bonds (stimulus bonds). Projects are currently out to bid. Once bids are in-hand related to specific projects, the Huntington Sanitary Board will come back to Council with a supplemental resolution.

Councilman Williams asked why the ordinance calls the authorization of two different series of bonds. Mr. Stump explained that stimulus funds must be spent in a certain timeframe and the dollars are to be distributed on a first-come, first-serve basis. At this time, it is unknown whether we will receive stimulus or regular loan program dollars, which made it necessary for the authorization of two different bond series. The Series A Bonds should come through at 3%/20 year funds and the Series B Bonds (stimulus bonds) will most likely be 2%/20 year funds. After it is determined which funds will be received Council will be presented with a supplemental resolution spelling out the exact terms, amount and interest rate of the bonds.

Councilman Williams asked if the city will be obligated to increase sewer rates further. Mr. Stump stated it would not.

Tom McCallister, 317 Washington Ave., asked if Kinetic Park was a project to be undertaken by the Sanitary Board. Chairman Insco stated that there is to be a line included in the projects that runs out past Kinetic Park as well as a 19th Street and 13th Street West project. Mr. McCallister opposes approval of this.

Upon roll call vote duly taken, the ordinance was adopted (11 yeas, 0 nay).

(6) 2nd **Reading of an Ordinance re:** AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH THE HUNTINGTON POLICE DEPARTMENT WITH ONE HUNDRED TEN (110) GLOCK MODEL 21SF .45 CALIBER PISTOLS

Councilman Williams moved to adopt, 2nd by Councilman Bates.

The successful bidder was KH Police Supply of Clarksburg, WV at a total cost of $52,800.

Councilman Bates asked for an explanation as to how no general fund dollars will be needed for this purchase. Police Chief Holbrook stated that there would be a trade-in allowance given through Glock International and asset forfeiture funds would be used toward the purchase.

Upon roll call vote duly taken, the ordinance was adopted (11 yeas, 0 nay).

(7) 2nd **Reading of an Ordinance re:** AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH LABOR AND MATERIALS TO REPAIR THE ROOF OF THE CITY GARAGE

Councilman Caserta moved to adopt, 2nd by Councilwoman Clements.

Fairfax, Inc. of Chesapeake, Ohio was the winning bidder at a total cost of $11,000. Funds are available in the current budget and completion should be within 20 days of notice to proceed.

Upon roll call vote duly taken, the ordinance was adopted (10 yeas, 0 nay, 1 abstention-Randolph).

(8) 2nd **Reading of an Ordinance re:** AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH LABOR, MATERIALS AND EQUIPMENT FOR THE OLD MAIN CORRIDOR IMPROVEMENTS, PHASE I PROJECT

Councilman Randolph moved to adopt, 2nd by Councilman Bates.

The successful bidder was C. J. Hughes Construction Company, Inc., Huntington, WV at a total cost of $626,426.59. This will be funded through the Transportation Enhancement Program, Community Development Block Grant Program and Stimulus funds.

Charles Holley, Director of Development & Planning, explained that the project is to begin at Hal Greer Boulevard and will come west toward 14th Street. The project includes installation of new concrete curbs and sidewalks, decorative stamped concrete sidewalks, new landscaping and lighting. This is the first phase of a corridor connecting Marshall University with Huntington's core central business district. Flooding issues at 15th Street will also be addressed in this project.

Councilman Caserta has requests for additional trash cans and cigarette disposal cans.

Upon roll call vote duly taken, the ordinance was adopted (11 yeas, 0 nay).

(9) 2nd **Reading of an Ordinance re:** AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF HUNTINGTON, WEST VIRGINIA, 1998, AND THE ZONE MAP ATTACHED THERETO AS A PART THEREOF, BY ZONING TO C-2 HIGHWAY COMMERCIAL FROM I-1 INDUSTRIAL THE PROPERTY LOCATED AT 745 3rd STREET W., CABELL CO. TAX MAP 43, PARCEL 96, LOTS 8 THROUGH 23

Councilman Bates moved to adopt, 2nd by Councilwoman Jackson.

Mayor Wolfe announced that this received a unanimous favorable recommendation from the Planning Commission.

Mr. Holley explained this rezoning from I-1 Industrial to C-2 Highway Commercial along 8th Avenue. The petitioner has requested the change in order to construct apartment units and storage units on the property. Concerns have arisen that the housing may be government run, low income units, which is not the case. The petitioner applied for Home Investment Partnership funds. If the funds are granted, there would be a required percentage (4-5) of the units that would have to be made available to income eligible individuals at a rent set by the government.

Councilman Bates asked the petitioner, Scott Hutchison, to come forward and explain this proposed development.

Scott Hutchison, 1313 8th Street, plans to put approximately 100 mini-storage units along the railroad tracks and 25-30 one and two bedroom apartments on 8th Avenue with parking for those behind the apartment building. He lives and works in this neighborhood and has no intention of developing anything that would reduce property values. He has several other rental properties and they are very careful when placing tenants.

Mr. Bates asked if there would be handicap accessible apartments, which Mr. Hutchinson confirmed.

Councilman Ritter requested a report from when this was before the Planning Commission. Chairman Insco, as a member of the Commission, stated that two persons, other than Mr. Hutchison, spoke at the Commission meeting about the development and neither opposed it.

Councilwoman Loudermilk understood that the storage units could be built on the property without being rezoned. She asked if Mr. Hutchison had purchased the property. Mr. Hutchison stated that the purchase was contingent upon the rezoning.

Councilman Randolph feels that there has been much misinformation given about this development. Concerns have been expressed regarding notification given to other residents in the area about the rezoning petition. He feels that rezoning to Highway Commercial is a more restrictive zoning and delineated the differences between the current and proposed zoning.

Councilman Houck asked where Mr. Hutchison's application for federal funds stands. Mr. Hutchison explained that it is very early in that process. If those funds are not approved, he would still purchase the property and develop it in the same manner.

Councilman Houck inquired into the notification given to neighboring property owners. Don Kleppe, Development & Planning, explained the notification process, which notice was given on August 24th and was at least fifteen days in advance of the meeting at which the Planning Commission was to hear the petition.

Mary Bryan, 816 3rd Street W., spoke in opposition. She does not feel that notification of the rezoning was given to residents in a wide enough radius of the proposed rezoned property.

Susie Sammons, Ashley Sammons, Kaitlyn Walker, Jason Sigler, Patricia Bailey, Bryan Beckett, Debbie Sliger, James Getz, Adam Padgett, Hannah Hawkins-Smith, Vivian Kost, Keith Hairston and Courtney Craig all expressed concerns with this development which included but were not limited to the lack of traffic signals, increased traffic, sewage issues and no sidewalks in the area.

Councilman Ritter, due to the number of concerns raised, moved to refer the ordinance to the Public Safety Committee for review, and Councilwoman Thacker seconded the motion.

Mary Bryan asked that the committee meeting be announced so that the public will be able to attend and give comment.

Terry Towig, 308 W. 12th Avenue, would like to see a mock-up of the development. Scott Hutchison said there is a site plan showing the development's layout.

Councilman Randolph spoke in support of the postponement/committee referral.

Councilman Bates asked if this would be on the next agenda. As Public Safety Committee chairperson, Councilwoman Jackson stated that it would be on the next agenda as long as the committee can meet prior to that.

Upon voice vote duly taken, the motion to refer to the Public Safety Committee was adopted unanimously (11 yeas, 0 nay).

(10) 2nd Reading of an Ordinance re: AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF HUNTINGTON, WEST VIRGINIA, 1998, AND THE ZONE MAP ATTACHED THERETO AS A PART THEREOF, BY ZONING TO C-1 NEIGHBORHOOD COMMERCIAL FROM R-5 RESIDENTIAL THE PROPERTY LOCATED AT 1349 6th AVENUE, CABELL CO. TAX MAP 30, PARCEL 119, PART OF LOT 7

Councilwoman Thacker moved to adopt, 2nd by Councilman Bates.

This received a favorable recommendation from the Planning Commission.

Upon roll call vote duly taken, the ordinance was adopted (11 yeas, 0 nay, 1 absent).

(11) 1st Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH THE HUNTINGTON FIRE DEPARTMENT WITH ONE (1) NEW CUSTOM PUMPER FIRE APPARATUS *(as postponed)*

The winning bidder was ABC Fire Services of Lavallette, WV at $347,680. Funds are to be provided through the Wayne County Fire Levy Fund on this seven year lease purchase.

Councilman Ritter asked what would happen to the current Westmoreland fire truck. Chairman Insco said it would be moved to the 14th Street West station. Mr. Ritter reported that the Westmoreland citizens feel the truck should stay in Westmoreland since Westmoreland fire levy funds were used for the purchase.

Councilman Caserta asked if the old fire truck could be left at the Westmoreland station. Acting Chief Provaznik stated there is not room for it at that station. Mr. Caserta asked for an explanation on funding. Chief Provaznik explained that the total cost of the truck is $347,000, of which $200,000 will be paid down and $147,000 will be on a lease purchase and will be paid via the Wayne County (Westmoreland) Fire Levy Fund. Mr. Caserta asked if there was any way to keep the old fire truck at the Westmoreland fire station, which Chief Provaznik reported that was not feasible without building addition onto the station.

Councilman Houck asked if a portion of the fire levy tax paid by property owners of Huntington goes to support volunteer stations in the county. The Chief reported that the Cabell County Fire Levy is taxed upon Huntington city property owners as county residents and those funds are distributed equally by the Cabell County Commission to all fire departments in the county and the Tri-State Fire Academy. Huntington receives 1/9th of those funds to support the city's six stations.

Councilman Bates asked, for clarification, if the $147,680 would be finance by the City of Huntington. Chief Provaznik confirmed this pointing out that the payments would come from the Westmoreland Fire levy funds. The funds in this account were not completely depleted in order to save for future land acquisition in order to build a new Westmoreland fire station.

This ordinance will be advertised.

(12) 1st **Reading of an Ordinance re:** AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH LABOR AND MATERIALS TO REPAIR THE ARLINGTON BOULEVARD BOX CULVERT WINGWALL

The winning bidder was Hagar Construction of Huntington, WV at a total cost of $43,000 and funds are available in the current budget.

This ordinance will be advertised.

(13) 1st **Reading of an Ordinance re:** AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 773 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, REGARDING MUNICIPAL SERVICE FEE

Councilwoman Jackson moved to refer this to the Finance Committee and Councilman Bates seconded. There was no discussion. Upon voice vote duly taken, the referral was unanimously adopted.

(14) **Resolution re:** A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A GRANT CONTRACT AGREEMENT WITH THE WEST VIRGINIA DEPARTMENT OF TRANSPORTATION DIVISION OF MOTOR VEHICLES TO RECEIVE AND ADMINISTER GRANT FUNDS IN ORDER TO MAINTAIN THE REGIONAL TRAFFIC SAFETY PROGRAM FOR SOUTHWESTERN WEST VIRGINIA

Councilwoman Thacker moved to adopt, 2nd by Councilwoman Clements.

Mayor Wolfe explained that this grant in the amount of $462,000 would be used to maintain the regional traffic safety program for southwestern West Virginia.

Upon voice vote duly taken, the resolution was unanimously adopted (11 yeas, 0 nay).

(15) **Resolution re:** A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ACCEPT THE CONDITIONS OF A LOCAL ECONOMIC DEVELOPMENT ASSISTANCE GRANT (LEDA) WITH THE WV DEVELOPMENT OFFICE IN THE AMOUNT OF $1,000.00 ON BEHALF OF THE TRI-STATE YOUTH ORCHESTRA

Councilwoman Clements moved to adopt, 2nd by Councilman Bates.

Upon voice vote duly taken, the resolution was unanimously adopted (11 yeas, 0 nay).

(16) **Resolution re:** A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ACCEPT THE CONDITIONS OF A LOCAL ECONOMIC DEVELOPMENT ASSISTANCE GRANT (LEDA) WITH THE WV DEVELOPMENT OFFICE IN THE AMOUNT OF $2,000.00 ON BEHALF OF THE HUNTINGTON OUTDOOR THEATER

Councilman Randolph moved to adopt, 2nd by Councilman Caserta.

Upon voice vote duly taken, the resolution was unanimously adopted (11 yeas, 0 nay).

(17) **Resolution re:** A RESOLUTION FOR THE REVISION OF THE FISCAL 2009-2010 GENERAL FUND BUDGET

Councilman Caserta moved to adopt, 2nd by Councilman Williams.

Finance Director Deron Runyon explained that this budget resolution was to receive and disperse various grant funds in a total amount of $572,000.

Upon voice vote duly taken, the resolution was unanimously adopted (11 yeas, 0 nay).

(18) **Confirmation of Re-Appointment:** HUNTINGTON HUMAN RELATIONS COMMISSION – Deborah Friedin – 2nd term

Councilman Bates moved to confirm, 2nd by Councilman Caserta.

Councilman Caserta moved to refer this to the Personnel Committee for review, 2nd by Councilman Bates. There was no discussion.

Upon voice vote duly taken, the referral was unanimously adopted.

(19) **Confirmation of Re-Appointment:** HUNTINGTON HUMAN RELATIONS COMMISSION – David N. Harris – 1st full term

Councilwoman Clements moved to confirm, 2nd by Councilman Caserta.

Councilman Caserta moved to refer this to the Personnel Committee for review, 2nd by Councilman Randolph. There was no discussion.

Upon voice vote duly taken, the referral was unanimously adopted.

(20) **Good & Welfare**

Councilman Houck reported that McClellan Park in Highlawn was vandalized recently and requested an increased police presence.

Councilman Randolph reported problems with the city's parasitic sign ordinance as it relates to directional signs and asked that it be reviewed for possible amendment(s). One suggestion is to offer a temporary sign permit. City Attorney McClure is to review this.

Councilwoman Thacker announced that the Walk & Roll Parade and job fair would be held on Thursday October 1.

Councilman Williams asked that the city include on its web site a list of streets paved through the funds received via the City Service Fee. Finance Director Runyon is currently working on this.

Councilman Bates thanked Mr. Runyon for information received regarding moving violations. He requested an update on the Land Bank issue, and also asked for clarification on Mr. Moore's recent reappointment to a fourth term on the Tri-State Transit Authority (TTA) Board.

Mr. McClure, regarding the TTA appointment, stated that this is not an exclusively "city" board/agency. The City Charter relates specifically to exclusively city boards and agencies. The length and number of terms of appointments is governed by 8-27-5 of the State Code which is superior law, which does not give term limitations for appointees. Thus he feels that Mr. Moore's appointment is consistent with state law.

Mayor Wolfe, regarding the Land Bank, reported that the County Commissions have stated that if there is no opposition from the State Auditor they will have no problem with the ordinance and we should be ready for the upcoming tax sale.

Councilwoman Loudermilk thanked Mr. Fullerton for his assistance in refurbishing street markers throughout the city. Trash and debris needs removed from an alley at West Third Street. She spoke with the manager of Med Express on Route 60 about false alarms and fees for them, and he does not feel that this is properly defined. Ms. Loudermilk asked for this to be reviewed for possible revision.

Councilwoman Jackson reported a large pothole that needs filled near the Nickel Plant Bridge.

Chairman Insco announced that the next meeting of City Council will be on Tuesday, October 13th due to the Columbus Day holiday.

Joseph Penuski, 1409 Primrose, asked for assistance with a recent criminal complaint filed.

D. Everett Fullerton, 981 Madison Ave., commented on the need for the city's two sign ordinances to be consistent with the other. He has requested this several times in the past.

Tom McCallister noted that any sign placed on the city right-of-way is not allowed. He still feels that Mr. Moore should not be appointed to the TTA board for a fourth term. He feels that the chairperson of the fire chief search committee should be a city resident. It is unacceptable that police vehicles were taken to the Marshall vs Virginia Tech football game which was in Virginia. He feels that the vacant Public Works Director position should be filled prior to filling the new position of Assistant Public Works Director.

There being no further business to come before council and upon motion duly made and seconded, the meeting was adjourned at 9:35 p.m.

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

EXCERPT OF MINUTES ON ADOPTION OF SUPPLEMENTAL RESOLUTION AND SWEEP RESOLUTION

The undersigned City Clerk of The City of Huntington (the "City") hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of the City.

* * * * * * * * *

The Council of the City met in regular session, pursuant to notice duly given, on the 25th day of October, 2010, in Huntington, West Virginia, at the hour of 7:30 p.m.

PRESENT:	Kim Wolfe	- Mayor
	Barbara Nelson	- City Clerk
	Rebecca Thacker	- Councilmember
	Teresa Loudermilk	- Councilmember
	Nate Randolph	- Councilmember
	Jim Insco	- Councilmember
	James Ritter	- Councilmember
	Sandra Clements	- Councilmember
	Mark Bates	- Councilmember
	Scott Caserta	- Councilmember
	Russell Houck	- Councilmember
	Steve Williams	- Councilmember
	Frances Jackson	- Councilmember

ABSENT:

Kim Wolfe, Mayor, presided, and Barbara Nelson, acted as City Clerk.

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor presented a proposed Supplemental Resolution in writing entitled:

SECOND SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST

AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF HUNTINGTON; APPROVING THE SECOND CONFORMED ORDINANCE; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion.

Thereupon, on motion duly made and seconded, it was unanimously ordered that the above-entitled Supplemental Resolution be finally enacted and put into effect immediately.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made and seconded, it was unanimously ordered that the said Sweep Resolution be adopted.

* * * * * * * * *

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

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CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of The City of Huntington and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 10th day of November, 2010.

_____

City Clerk

435500.00027

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of The City of Huntington and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 10th day of November, 2010.

Barbara Nelson
City Clerk

435500.00027

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINA,
COUNTY OF CABELL, TO-WIT:

I, Lacie Pierson being first duly sworn, depose and say that I am Legal Clerk for The Herald-Dispatch, a corporation, who publishes at Huntington, Cabell County, West Virginia, the newspaper: The Herald-Dispatch, an independent newspaper, the morning seven days each week, Monday through Sunday including New Year's Day, Memorial Day, the Fourth of July, Labor Day, Thanksgiving and Christmas; that I have been duly authorized by the Board of Directors of such corporation and the newspaper mentioned herein; that the legal advertisement attached in the left margin of this affidavit and made a part hereof and bearing number LH-740328 was duly published in

The Herald-Dispatch

one time, once a week for 2 successive weeks, commencing with its issue of the 15 day of September, 2009 and ending with the issue of the 22 day of September, 2009 and was posted at the East door of the Cabell County Courthouse on 15 day of September, 2009: that said legal advertisement was published on the following dates:
; 9-15-2009 and 9-22-2009

that the cost of publishing said annexed advertisement as aforesaid was $177.45; that such newspaper in which such legal advertisement was published has been and in now published regularly, at least as frequently as once a week for at least fifty weeks during the calendar year as prescribed by its mailing permit, and has been so published in the municipality of Huntington, Cabell County, West Virginia , for at least one year immediately preceding the date on which the legal advertisement set forth herein was delivered to such newspaper for publication; that such newspaper is a newspaper of "general circulation" as defined in Article 3, chapter 59, of the West Virginia Code, within the publication area or areas of the municipality of Huntington, Cabell and Wayne Counties, West Virginia, and that such newspaper is circulated to the general public at a definite price or consideration, that such newspaper on each date published consists of not less than four pages with out a cover; and that it is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices.

Taken, subscribed and sworn to before me in my said county this 24th day of September 2009.

My Commission expires June 4, 2012

Lacie Pierson

Constance D. Rappold
Notary Public
Cabell County
West Virgnina

NOTICE OF PUBLIC HEARING ON THE CITY OF HUNTINGTON BOND ORDINANCE

A public hearing will be held on the following entitled Ordinance at a regular meeting of the Council of The City of Huntington (the "City") to be held on Monday, September 28, 2009, at 7:30 p.m. at the City Hall, Huntington, West Virginia, and at such hearing any person interested may appear before the City and present protests, and all protests and suggestions shall be heard by the City, and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

THE CITY OF HUNTINGTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF HUNTINGTON OF NOT MORE THAN $8,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $8,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING ARRA ASSISTANCE AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to (i) to pay a portion of the costs of the acquisition and construction of a public sewerage system of the issuer (the "Project"), (ii) fund the Series 2009 A Bonds Reserve Account; and (iii) to pay certain costs of issuance of the Bonds of this Series and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above entitled Ordinance was adopted by the Council of The City of Huntington on September 14, 2009. A certified copy of the above entitled Ordinance is on file with the City for review by interested parties during regular office hours.

Following the public hearing, the City intends to enact the Ordinance upon final reading.

/s/ Kim Wolfe
Mayor

LH 740328

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: Nov. 10, 2010

ISSUE: The City of Huntington
Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program)

ADDRESS: P.O. Box 1659, Huntington, West Virginia 25717 COUNTY: Cabell

PURPOSE OF ISSUE:
New Money: X
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 11/10/2010
CLOSING DATE: November 10, 2010
ISSUE AMOUNT: $2,622,055
RATE: 2%; Administrative Fee 1.0%
1ST DEBT SERVICE DUE: 3/1/2012
1ST PRINCIPAL DUE 3/1/2012
1ST DEBT SERVICE AMOUNT $39,847.28
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: United Bank, Inc.
Contact: Meagan Alldridge
Phone: 304.348.8403

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Loretta Covington
Position: Executive Director
Phone: 304.696.5564

OTHER:
Agency: W.V. Department of Environmental Protection
Contact: Rosalie Brodersen
Position: Program Manager
Phone: (304) 926.0499 (ext. 1608)

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Check

____	Accrued Interest:	$
____	Capitalized Interest:	$
____	Reserve Account:	$
____	Other:	$

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ Check ____ IGT

____	To Escrow Trustee	$
____	To Issuer	$
____	To Cons. Invest. Fun	$
____	To Other: ____	$

NOTES: The Series 2010 B Bonds Reserve Account will be funded over 10 years

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

United Bank, Inc., Huntington, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of Huntington (the "Issuer") enacted by the Issuer on September 28, 2009, a Supplemental Resolution and Conformed Bond Ordinance adopted by the Issuer on December 28, 2009 and a Second Supplemental Resolution and Second Conformed Bond Ordinance adopted by the Issuer on October 25, 2010 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program) dated November 10, 2010, in the aggregate principal amount of $2,622,055 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 10th day of November, 2010.

UNITED BANK, INC.

By: _____
Its: Authorized Officer

10.12.10
435500.00027

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with The City of Huntington Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program) dated November 10, 2010, in the aggregate principal amount of $2,622,055 (the "Series 2010 B Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2010 B Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2010 B Bonds.

WITNESS my signature on this 10th day of November, 2010.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

10.14.10
435500.00027

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

The Huntington National Bank, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of The City of Huntington (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), of the Issuer, dated November 10, 2010, in the principal amount of $2,622,055, numbered BR-1 was registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of the Registrar.

WITNESS my signature on this 10th day of November, 2010.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

10.12.10
435500.00027

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 10th day of November, 2010, by and between THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $2,622,055 principal amount of Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program) in fully registered form (the "Series 2010 B Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted September 28, 2009, a Supplemental Resolution and Conformed Bond Ordinance of the Issuer duly adopted December 28, 2009 and a Second Supplemental Resolution duly adopted October 25, 2010 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Series 2010 B Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Series 2010 B Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver the Series 2010 B Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest, if any, on the Series 2010 B Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:
The City of Huntington
P.O. Box 1659
Huntington, West Virginia 25717
Attention: Mayor

REGISTRAR:
The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301

8. The Registrar shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. The Registrar shall carry out applicable requirements of 40 CRF part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the Registrar to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legal available remedies.

9. The Registrar is hereby requested and authorized to authenticate and deliver the Series 2010 B Bonds in accordance with the Bond Legislation.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE CITY OF HUNTINGTON

By: _____
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

10.12.10
435500.00027

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See Attached)

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633

Huntington

STATEMENT OF REGISTRAR'S FEES
Invoice Date November 10, 2010

The City of Huntington
Account Number 6089001809

The City of Huntington
Sewer Revenue Bonds, Series 2010 B
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR November, 2010

****

TOTAL AMOUNT	$ 500.00
TOTAL DUE	**$ 500.00**

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035

WEST VIRGINIA
Water Development Authority
Celebrating 36 Years of Service 1974 - 2010

November 10, 2010

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Michael Griffith & Associates, PLLC the independent certified public accountant and an opinion of Steptoe & Johnson PLLC, bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "Authority"), the registered owner of the entire outstanding aggregate principal amount of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), in the original aggregate principal amount of $2,622,055 (the "Series 2010 B Bonds"), by The City of Huntington (the "Issuer"), under the terms of the ordinance authorizing the Series 2010 B Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's: (i) Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895 (the "Series 1997 Bonds"); (ii) Sewer Revenue Bond, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550, (the "Series 1999 Bonds"); (iii) Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098 (the "Series 2000 Bonds"); and (iv) Sewer Revenue Bonds, Series 2010 A Bonds (West Virginia SRF Program), dated January 12, 2010, issued in the original aggregate principal amount of $4,022,945 (the "Series 2010 A Bonds") (collectively, the "Prior Bonds").

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Carol A. Cummings
Its: Authorized Representative

435500.00027

180 Association Drive, Charleston, WV 25311-1217
Phone (304) 558-3612 / fax (304) 558-0299
www.wvwda.org

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY): 10/27/10

PRODUCER
Wells Fargo Ins. Services
of West Virginia, Inc.
P.O. Box 1551
Charleston WV 25326-1551
(304) 348-6011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
City of Huntington
P O Box 3668
Huntington, WV 25717

COMPANIES AFFORDING COVERAGE

COMPANY A: Travelers Indemnity Company of CT.

COMPANY B: St Paul Fire & Marine Insurance Company

COMPANY C:

COMPANY D:

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR OWNER'S & CONTRACTOR'S PROT	SP09319450	9/15/10	9/15/11	GENERAL AGGREGATE	$ 2,000,000
					PRODUCTS-COMP/OP AGG	$ 2,000,000
					PERSONAL & ADV INJURY	$ 1,000,000
					EACH OCCURRENCE	$ 1,000,000
					FIRE DAMAGE (Any one fire)	$ 1,000,000
					MED EXP (Any one person)	$ Not Covered
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS				COMBINED SINGLE LIMIT	$
					BODILY INJURY (Per person)	$
					BODILY INJURY (Per accident)	$
					PROPERTY DAMAGE	$
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	$
					OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	$
					AGGREGATE	$
B	EXCESS LIABILITY X UMBRELLA FORM OTHER THAN UMBRELLA FORM	0C03730228	9/15/10	9/15/11	EACH OCCURRENCE	$ 3,000,000
					AGGREGATE	$ 3,000,000
						$
	WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: INCL / EXCL				WC STATU-TORY LIMITS / OTH-ER	
					EL EACH ACCIDENT	$
					EL DISEASE-POLICY LIMIT	$
					EL DISEASE-EA EMPLOYEE	$
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

PROOF OF INSURANCE, REF. SERIES 2010A (WV SRF PROGRAM)

CERTIFICATE HOLDER

WV WATER DEVELOPMENT AUTHORITY
180 ASSOCIATION DRIVE
CHARLESTON, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

ACORD 25-S (1/95)

© ACORD CORPORATION 1995

CERTIFICATE: 005/0017/ 00005

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
dep.wv.gov

June 25, 2010

Loretta Covington, Executive Director
Huntington Sanitary Board
P. O. Box 1659
Huntington, WV 25717

RE: Huntington Sanitary Board
13th Street West and 19th Street
Sewer Rehabilitation
Plans and Specifications Approval
SRF No. C-544461

Dear Ms. Covington:

The plans and specifications for the above referenced project are hereby approved.

This approval DOES NOT constitute authority to advertise for bids. You will be advised by separate letter from this agency as to when such an advertisement can be initiated.

Please be advised it will be necessary to issue an addendum to the contract documents prior to opening of bids to include the current State and Federal Labor Wage Determinations. This and all addenda and revisions to the contract documents must be telefaxed to this office for approval and issued to plan holders five (5) days prior to bid opening. Failure to submit addenda in a timely manner will automatically nullify approval to open bids. Any addenda issued inside the five (5) day period prior to the bid opening must include an automatic extension to the bid opening date of a minimum of seven (7) days.

If any questions arise, please contact Ed Burdette at (304) 926-0499, ext.1594.

Sincerely,

Kathryn Emery for

Mike Johnson, P. E.
Program Manager
Clean Water SRF Program

MJ/eb

cc: Pat Taylor, P.E., Potesta & Associates, Inc.

STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF WATER AND WASTE MANAGEMENT
601 57TH STREET SE
CHARLESTON, WV 25304-2345

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
WATER POLLUTION CONTROL PERMIT

NPDES PERMIT NO.: WV0023159
SUBJECT: Sewage

ISSUE DATE: April 28, 2010
EFFECTIVE DATE : May 28, 2010
EXPIRATION DATE: April 27, 2015
SUPERSEDES: Permit No. WV0023159 dated March 29, 2006

LOCATION: HUNTINGTON (City) Wayne (County) Lower Ohio River (Drainage Basin)

See the next page for a list of Outlets.

TO WHOM IT MAY CONCERN:

This is to certify that: HUNTINGTON, CITY OF
800 5TH AVE
PO BOX 1659
HUNTINGTON, WV 25717

is hereby granted a West Virginia NPDES Water Pollution Control Permit to:
operate and maintain an existing combined sewer wastewater collection system and an existing 17.0 million gallons per day activated sludge wastewater treatment plant, which are further described as follows.

A combined sewer wastewater collection system comprised of approximately 200 miles of combined gravity sewer lines and 100 miles of sanitary gravity sewer lines ranging from six(6) inches to 54 inches in diameter, necessary manholes, necessary cleanouts, 37 lift stations, 12 miles of force main ranging from six(6) inches to 54 inches in diameter, and all requisite appurtenances.

A wastewater treatment plant comprised of two(2) mechanical bar screens, two(2) preaeration/grit removal chambers, four(4) primary clarifiers with a volume of 563,400 gallons and a surface area of 5,000 square feet each, eight(8) aeration chambers with a volume of 552,000 gallons each, eight(8) secondary clarifiers with a volume of 456,200 gallons and a surface area of 5,100 square feet each, two(2) chlorine contact chambers with a volume of 260,000 gallons each, dechlorination facilities, two(2) gravity sludge thickeners with a volume of 150,000 gallons each, three(3) sludge dewatering belt presses, a fluidized bed sludge incinerator, an incinerator ash lagoon, and all requisite appurtenances.

These facilities are to serve a population equivalent of approximately 90,000 persons in the City of Huntington, the City of Kenova, the Town of Ceredo, the Northern Wayne County Public Service District, the Spring Valley Public Service District, the Ohio River service area of the Pea Ridge Public Service District, and environs, and discharge treated wastewater to the Ohio River at Mile Point 313.2.

To implement a Publicly Owned Treatment Works Pretreatment Program.

The facility also contains 25 combined sewer system overflow relief points which discharge during wet weather events when the hydraulic capacity of the wastewater treatment plant is exceeded through Combined Sewer Overflow Outlet No. C002 to Krout Creek of Twelvepole Creek of the Ohio River; Combined Sewer Overflow

Outlet Nos. C003, C005, C006, C007, C008, C009, C010, C011, C012, C013, C014, C015, C020, and C021 to the Ohio River; Combined Sewer Overflow Outlet Nos. C004, C022, C023, and C024 to Fourpole Creek of the Ohio River; Combined Sewer Overflow Outlet Nos. C016, C017, C019, and C036 to the Guyandotte River of the Ohio River, and Combined Sewer Overflow Outlet Nos. 018 and 018-A to Pat's Branch of the Guyandotte River of the Ohio River.

To acquire, construct, install, operate and maintain a wastewater collection system extension to be comprised of approximately 430 linear feet of six (6) inch diameter gravity sewer line, 1,000 linear feet of eight (8) inch diameter gravity sewer line, 1,400 linear feet of 10 inch diameter gravity sewer line, 330 linear feet of 12 inch diameter gravity sewer line, 5,000 linear feet of 15 inch diameter gravity sewer line, 65 linear feet of 18 inch diameter gravity sewer line, 3,400 linear feet of 21 inch diameter gravity sewer line, 55 manholes, one (1) lift station, 110 linear feet of four (4) inch diameter force main, 3,000 linear feet of 12 inch diameter force main, and all requisite appurtenances.

These facilities are to serve a population equivalent of approximately 3,600 persons in the Hal Greer Boulevard area of the City and convey wastewater to the City's wastewater collection system and wastewater treatment plant for subsequent treatment and discharge through Outlet No. 001 to the Ohio River. The additional wastewater flow to be generated is anticipated to be approximately 0.5 million gallons per day.

This permit is subject to the following terms and conditions :
The information submitted on, and with, Permit Application No. WV0023159, dated the 29th day of December 2009, is all, hereby, made terms and conditions of this Permit with like effect as if all such permit application information were set forth herein, and with other conditions set forth in Sections A, B, C, D, E, and F, and Appendix A.

THE WASTEWATER COLLECTION SYSTEM IMPROVEMENTS PROJECT SHALL BE CONSTRUCTED IN ACCORDANCE WITH:

Plans, Specifications, and Reports:

Date Approved: August 7, 2009
Prepared by: L. Robert Kimball & Associates
415 Moon Clinton Road
Coraopolis, PA 15108-3886
Title: Huntington Sanitary Board
Hal Greer Boulevard Sanitary Sewer Extension Project
SRF Project No. C-544341

The validity of this permit is contingent upon the payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **November 10, 2010**

Re: **The City of Huntington Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program)**

---

1. DISBURSEMENTS TO THE CITY OF HUNTINGTON

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2010 B Bonds Proceeds
Amount:	$131,103
Form:	Wire Transfer
Payee:	The City of Huntington, 800 5th Avenue, Huntington, WV 25717
Bank:	United Bank, Inc.
Routing #:	051900395
Account #:	006969-4602
Contact:	Meagan Alldridge, 304.348.8403
Account:	Series 2010 B Bonds Construction Trust Fund

435500.00027

Katy Mallory

From: Tingley, John L [John.L.Tingley@wv.gov]
Sent: Thursday, November 04, 2010 7:33 AM
To: John Stump; Katy Mallory
Cc: Brodersen, Rosalie M; Gee, Samme; White, Ryan
Subject: Closing Memo

The closing memo needs to be changed to reflect the 5% that must be drawn down at closing. This amount is $131,103.00.

John L. Tingley
Clean Water State Revolving Fund
WVDEP/DWWM
601 57th St SE
Chas.,WV 25304
Phone (304)926-0499 ext 1603
Fax (304)926-0496
John.L.Tingley@wv.gov

Rev. 10/01/04

PAYMENT REQUISITION FORM

1. LOAN RECIPIENT/VENDOR:

NAME: City of Huntington

ADDRESS: 1217 Adams Avenue
Huntington WV 25775

DUNS 085-523-769
FEIN: 55-6000187

2. SRF PROJECT

3. INVOICE NUMBER: 1

4. PERIOD COVERED BY THIS REQUEST:
FROM (MO/DAY/YR) 1/1/2009 TO (MO/DAY/YR) 10/5/2010

5. PERCENTAGE OF PHYSICAL CONSTRUCTION COMPLETION 0%

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED TOTALS	C) THIS REQUEST	D) TOTAL COLUMNS B & C	E) AGENCY USE ONLY
1) Construction (13th St)	876,348.00		0.00	0.00	
Construction (Ejector)	1,329,000.00		0.00	0.00	
2) TECHNICAL					
a1 Basic (13th St)	42,918.00				
a2 During Const (13th St.)	24,941.00				
b1 Basic (Ejector)	67,400.00				
b2 During Const (Ejector)	24,947.00				
c2 Special Services	1,500.00		66,603.99	66,603.99	
3) Legal	37,500.00		586.25	586.25	
4) Accounting	25,000.00		24,500.00	24,500.00	
5) Land	0.00		0.00	0.00	
6) Interim Financing	0.00		0.00	0.00	
7) Contingency (13th St.)	65,726.00		0.00	0.00	
Contingency (Ejector)	99,675.00		0.00	0.00	
8) Miscellaneous	1,600.00		858.41	858.41	
9) RESERVE FUND	0.00		0.00	0.00	
10) CLOSING COST	25,500.00		25,500.00	25,500.00	
11) SUBTOTAL	2,622,055.00		118,048.65	118,048.65	
12) LESS PREVIOUSLY PAID					0.00
14) INVOICE AMOUNT					118,048.65

15) RECIPIENT AUTHORIZED SIGNATURE
DATE:
Kim A. Wolfe, Mayor
TYPED OR PRINTED NAME AND TITLE

16) Loretta L Covington
PERSON PREPARING FORM SIGNATURE
DATE:
Loretta L. Covington, Executive Director
TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY:

THIS REQUEST APPROVED BY: WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION

PROJECT REVIEWER	DATE	AUTHORIZED OFFICER	DATE

ACCOUNTING CLASSIFICATION - DEP USE ONLY

ACCOUNTING NUMBER:	AMOUNT APPROVED:
350 - 1	
350 - 2	

SWEEP RESOLUTION

WHEREAS, The City of Huntington (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Mayor and Executive Director are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 25th day of October, 2010.

Mayor

FILE COPY

Form **8038-G** (Rev. May 2010)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority — If Amended Return, check here ▶ ☐

1 Issuer's name The City of Huntington	2 Issuer's employer identification number (EIN) 55 6000187
3 Number and street (or P.O. box if mail is not delivered to street address) Room/suite Post Office Box 1659	4 Report number *(For IRS Use Only)* 3
5 City, town, or post office, state, and ZIP code Huntington, West Virginia 25717	6 Date of issue 11/10/10
7 Name of issue Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program)	8 CUSIP number NA
9 Name and title of officer of the issuer or other person whom the IRS may call for more information Kim Wolfe, Mayor	10 Telephone number of officer or other person (304) 696-5540

Part II Type of Issue (enter the issue price) See instructions and attach schedule

11	Education	11	
12	Health and hospital	12	
13	Transportation	13	
14	Public safety	14	
15	Environment (including sewage bonds)	15	2,622,055
16	Housing	16	
17	Utilities	17	
18	Other. Describe ▶	18	
19	If obligations are TANs or RANs, check only box 19a ▶ ☐ If obligations are BANs, check only box 19b ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	12/1/2031	$ 2,622,055	$ 2,622,055	11.8465 years	1.8030 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	
23	Issue price of entire issue (enter amount from line 21, column (b))			23	2,622,055
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	25,500		
25	Proceeds used for credit enhancement	25			
26	Proceeds allocated to reasonably required reserve or replacement fund	26			
27	Proceeds used to currently refund prior issues	27			
28	Proceeds used to advance refund prior issues	28			
29	Total (add lines 24 through 28)			29	25,500
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	2,596,555

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	N/A years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	N/A years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶	
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	

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Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	N/A
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	N/A
b	Enter the final maturity date of the GIC ▶		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	N/A

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____

38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . ▶ ☑

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . ▶ ☐

40 If the issuer has identified a hedge, check box . . . . ▶ ☐

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative — Date: 11/10/10 — Kim Wolfe, Mayor (Type or print name and title)

Paid Preparer's Use Only

Preparer's signature		Date 10.10.10	Check if self-employed ☐	Preparer's SSN or PTIN P01236822
Firm's name (or yours if self-employed), address, and ZIP code	Steptoe & Johnson PLLC PO Box 1588, Charleston, WV 25326		EIN 55 : 0286140 Phone no. (304) 353.8000	

CONFORMED COPY

Reflects redesignation set forth in the
Supplemental Resolution adopted November 10, 1997

Inwood Drive Project

THE CITY OF HUNTINGTON

SEWER REVENUE BONDS, SERIES 1997
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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THE CITY OF HUNTINGTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $4,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF HUNTINGTON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of Huntington (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Cabell and Wayne Counties of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants

of the Issuer that there be constructed certain additions, betterments and improvements for the existing public sewerage system of the Issuer, consisting of acquisition and construction of gravity and pressure sanitary sewerage lines, grinder pumps, manholes and other sewerage facilities to service the Inwood Drive, Shockey Drive, McCoy Road, Ridgewood Road, Miller Road and other areas, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection and transportation of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage system of the Issuer, the Project and any further additions thereto or extensions thereof are herein called the "System") at an estimated cost of $4,000,000 in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the City Clerk of the Issuer.

C. The Issuer intends to permanently finance a portion of such costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), in the total aggregate principal amount of not more than $4,000,000 (the "Series 1997 Bonds"), initially to be represented by a single bond, to permanently finance a portion of costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest upon the Series 1997 Bonds prior to and during construction or acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Series 1997 Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1997 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1997 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 20 years.

F. It is in the best interests of the Issuer that its Series 1997 Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement (the "Loan Agreement") by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on parity with the Series 1997 Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993 (the "Series 1993 Bonds" or "Prior Bonds"), dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000, pursuant to an ordinance enacted by the Issuer on October 12, 1993, as supplemented by the supplemental resolution of the Issuer adopted November 3, 1993 (collectively, the "Prior Ordinance").

The Issuer has met the parity test requirements of the Prior Bonds and the Prior Ordinance, and the Series 1997 Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge and source of and security for payment and in all other respects. Other than the Prior Bonds, there are no outstanding obligations of the Issuer which will rank prior to or on a parity with the Series 1997 Bonds as to liens, pledge and/or source of and security for payment and in all other respects.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Prior Bonds and the Series 1997 Bonds and all payments into the all sinking funds, reserve accounts and other payments provided for herein and in the Prior Ordinance, all as such terms are hereinafter defined.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 1997 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval (or "grandfathering") of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 1997 Bonds or such final order will not be subject to appeal.

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 1997 Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the

jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefiting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 1997 Bonds are to be issued.

K. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Council to issue the Series 1997 Bonds for the purposes set forth herein.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 1997 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 1997 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1997 Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

"Board" means the Sanitary Board of the Issuer.

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

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

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

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

"Bonds" means, collectively, the Series 1997 Bonds, the Prior Bonds, and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 1997 Bonds for the proceeds representing the purchase price of the Series 1997 Bonds or at least a de minimis portion thereof from the Authority and the DEP.

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

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" means Chester Engineers, Inc., Huntington, West Virginia, or any qualified engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

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

"DEP" means the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment, or any other agency, board or department of the State that succeeds to the functions of the DEP.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

"Depreciation Fund" means the Depreciation Fund established by the Prior Ordinance and continued hereby.

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

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

"Governing Body" means the Council of the Issuer.

"Government Obligations" means direct and general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of ownership of proportionate interests in future interest and principal payments of such obligations; provided that, investments in such proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts, and includes any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments).

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

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

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

"Issuer" means The City of Huntington, a municipal corporation and political subdivision of the State of West Virginia, in Cabell and Wayne Counties, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into among the Authority, the DEP and the Issuer, providing for the purchase of the Series 1997 Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

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

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1997 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1997 Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1997 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1997 Bonds and is not acquired in order to carry out the governmental purpose of the Series 1997 Bonds.

"Operating Expenses" unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, the SRF Administrative Fee, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" or "Series 1993 Bonds" means the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000.

"Prior Ordinance" means, collectively, the ordinance of the Issuer enacted on October 12, 1993, as supplemented by the supplemental resolution of the Issuer adopted November 3, 1993, authorizing the Prior Bonds.

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

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

"Project" means the acquisition and construction of certain additions, betterments and improvements for the existing public sewerage system of the Issuer, consisting of gravity and pressure sanitary sewerage lines, grinder pumps, manholes and other sewerage facilities to service the Inwood Drive, Shockey Drive, McCoy Road, Ridgewood Road, Miller Road and other areas, together with all appurtenant facilities.

"Qualified Investments" means and includes the following:

1. (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government sponsored agencies which are not backed by the full faith and credit of the United States of America:

-Federal Home Loan Mortgage Corporation (FHLMC)
Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
Senior Debt obligations
-Farm Credit Banks (formerly, Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
Consolidated system-wide bonds and notes

-Federal Home Loan Banks (FHL Banks)
Consolidated debt obligations
-Federal National Mortgage Association (FNMA)
Senior debt obligations
Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
-Student Loan Marketing Association (SLMA)
Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
-Financing Corporation (FICO)
Debt obligations
-Resolution Funding Corporation (REFCORP)
Debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated `A-1' or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million.

6. Commercial paper (having original maturities of not more than 270 days) rated `A-1+' by S&P and `Prime-1' by Moody's.

7. Money market funds rated `AAm' or `AAm-G' by S&P, or better.

8. "State Obligations," which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated `A3' by Moody's and `A' by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated `A-1+' by S&P and `Prime-1' by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated `AA' or better by S&P and `Aa' or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investors Service meeting the following requirements:

A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

B. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

F. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements:

A. With any domestic bank the long term debt of which is rated 'AA' or better by S&P (so long as an opinion is rendered that the repurchase agreement is a "repurchase agreement" and a "qualified

financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA), or any foreign bank the long term debt of which is rated at least 'AA' by S&P and 'AAA' by S&P and at least 'Aa' by Moody's; provided the term of such repurchase agreement is for one year or less.

B. With (1) any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least 'AA' by S&P and 'Aa' by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or (2) any other entity approved by Financial Security, provided that:

a. The market value of the collateral is maintained (i) for United States Treasury Securities at the levels shown below under "Collateral Levels for United States Treasury Obligations" and (ii) for other collateral, at levels acceptable to Financial Security;

b. Failure to maintain the requisite collateral percentage will require the Issuer to liquidate the collateral.

c. The Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

d. The repurchase agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

e. The transferor represents that the collateral is free and clear of any third-party liens or claims;

f. An opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a bank, that

such bank is subject to FIRREA and the repurchase agreement is a "qualified financial contract" as defined in FIRREA;

g. There is or will be a written agreement governing every repurchase transaction;

h. The Issuer represents that it has no knowledge of any fraud involved in the repurchase transaction; and

i. The Issuer receives the opinion of counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such repurchase agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms.

11. Investment agreements with (A) a domestic bank the long-term debt of which is rated at least 'AA' by S&P and 'Aa' by Moody's (so long as an opinion is rendered that the bank is subject to FIRREA); or (B) a foreign bank the long-term debt of which is rated 'AAA' by S&P and at least "Aa' by Moody's, or at least 'AA' by S&P and 'Aaa' by Moody's; provided, that, by the terms of the investment agreement:

(1) interest payments are to be made at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided that the Ordinance specifically requires the Issuer to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(4) a fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made

to restore the amount of such funds to the level specified under the Ordinance;

(5) the term of the investment agreement does not exceed seven years or such longer term as shall be approved by the Bond Insurer;

(6) the Issuer receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable;

(7) the investment agreement shall provide that if during its term

(a) the provider's rating by either S&P or Moody's falls below 'AA' or 'Aa,' respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") United States Treasury Obligations which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(b) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below 'A,' or, with respect to a foreign bank, below "AA" or "Aa" by S&P or Moody's, as appropriate, the provider must, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer; and

(8) The investment agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(9) the investment agreement must provide that if during its term

(a) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate, and

(b) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate.

(10) Any State-administered pool investment fund in which the Issuer is statutorily permitted or required to invest.

(11) Subject to the prior written approval of the Bond Insurer, such other obligations as shall be permitted to be legal investments of the Issuer by the laws of the State.

COLLATERAL LEVELS FOR UNITED STATES TREASURY OBLIGATIONS

	Remaining maturity				
	1 year or less	5 years or less	10 years or less	15 years or less	30 years or less
Frequency of valuation					
Daily	102	105	106	108	114
Weekly	103	111	112	114	120
Monthly	105	117	120	125	133
Quarterly	107	120	130	133	140

VALUATION REQUIREMENTS:

(1) On each valuation date the Issuer, the Paying Agent, or the custodian who shall confirm to the Issuer and the Paying Agent, shall, at the cost of the provider, value the market value (exclusive of accrued interest) of the collateral, which market value will be an amount equal to the requisite collateral percentage times the principal amount of the investment and unpaid accrued interest thereon that is being secured;

(2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly and monthly valuations, and one month for quarterly valuations. [The use of different restoration periods affect the requisite collateral percentage.];

(3) The Issuer shall terminate the repurchase agreement or investment agreement, as appropriate, upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the collateral, liquidate the collateral.

(f) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account.

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

"Registrar" means the Bond Registrar.

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 1997 Bonds.

"Reserve Account Requirement" means, collectively, the respective amounts required to be on deposit in any reserve account for the Bonds.

"Revenue Fund" means the Revenue Fund established by the Prior Ordinance and continued hereby.

"Series 1993 Bonds" or "Prior Bonds" means the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000.

"Series 1993 Bonds Redemption Account" means the Redemption Account established by the Prior Ordinance for the Series 1993 Bonds and continued hereby.

"Series 1993 Bonds Reserve Account" means the Reserve Account established by the Prior Ordinance for the Series 1993 Bonds and continued hereby.

"Series 1993 Bonds Sinking Fund" means the Sinking Fund established by the Prior Ordinance for the Series 1993 Bonds and continued hereby.

"Series 1997 Bonds" means the not more than $4,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 1997 Bonds Reserve Account" means the Series 1997 Bonds Reserve Account established in the Series 1997 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1997 Bonds Reserve Account Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1997 Bonds in the then current or any succeeding year.

"Series 1997 Bonds Sinking Fund" means the Series 1997 Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking fund established for the Prior Bonds and the Series 1997 Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 1997 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1997 Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means, collectively, the complete existing municipal sewage treatment and collection system of the Issuer, consisting of a sewage treatment plant, collection and transportation lines, lift stations, pumps and all appurtenant facilities, now owned by the Issuer or any integral part thereof, and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a municipal sewage treatment and collection system, and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for said sewage treatment and collection system from any sources whatsoever, both within and without the Issuer.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of $4,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the SRF Program. The cost of the Project is estimated not to exceed $4,000,000, all of which will be obtained from proceeds of the Series 1997 Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1997 Bonds, funding a reserve account for the Series 1997 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 1997 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be issued the negotiable Series 1997 Bonds of the Issuer, in an aggregate principal amount of not more than $4,000,000. The Series 1997 Bonds shall be issued as a single bond, designated "Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program)", and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1997 Bonds remaining after funding of the Series 1997 Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 1997 Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 1997 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1997 Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1997 Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 1997 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 1997 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. The Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from the date so specified therein.

Section 3.03. Execution of Bonds. The Series 1997 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 1997 Bonds shall cease to be such officer of the Issuer before the Series 1997 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 1997 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 1997 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 1997 Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1997 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 1997 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 1997 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 1997 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 1997 Bonds or transferring the registered Series 1997 Bonds are exercised, all Series 1997 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 1997 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 1997 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 1997 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 1997 Bonds or, in the case of any proposed redemption of Series 1997 Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1997 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the Series 1997 Bonds Reserve Account. No holder or holders of the Series 1997 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1997 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of all Series 1997 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 1997 Bonds and to make the payments into the respective Sinking Funds, the Reserve Accounts therein, and the Depreciation Fund, and all other payments hereinafter set forth, are hereby irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the Series 1997 Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1997 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1997 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 1997 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1997 Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 1997 Bonds.

Section 3.10. Form of Bonds. The text of the Series 1997 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON
SEWER REVENUE BOND,
SERIES 1997
(WEST VIRGINIA SRF PROGRAM)

No. R-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell County of said State (the "Issuer"), for value received, hereby promises to pay; solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 199___, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 199___, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia

Division of Environmental Protection (the "DEP), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated _____, 199___.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) [to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii)] to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 199___, and a Supplemental Resolution duly adopted by the Issuer on _____, 199___ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 1, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,100,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1997 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 1997 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of

operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Prior Bonds are outstanding, and thereafter, 115% of such amount; provided however, that, if the Prior Bonds are no longer outstanding and so long as there exists in the Series 1997 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the Costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 199___.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199___.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $		(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

TOTAL $

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1997 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

(2) Depreciation Fund (established by the Prior Ordinance); and

(3) Bond Construction Trust Fund.

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

(1) Series 1993 Bonds Sinking Fund (established by the Prior Ordinance);

(a) Within the Series 1993 Bonds Sinking Fund:

(i) Series 1993 Bonds Reserve Account (established by the Prior Ordinance); and

(ii) Series 1993 Bonds Redemption Account (established by the Prior Ordinance);

(2) Series 1997 Bonds Sinking Fund;

(a) Within the Series 1997 Bonds Sinking Fund, the Series 1997 Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinance and in this Bond Legislation and shall

be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Prior Ordinance and in this Bond Legislation. All moneys in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, (i) remit to the Commission the amounts required by the Prior Ordinance to be deposited in the Series 1993 Bonds Sinking Fund for payment of the principal of and interest on the Series 1993 Bonds, (ii) commencing 4 months prior to the first date of payment of interest on the Series 1997 Bonds for which interest has not been capitalized or as required in the Loan Agreement, remit to the Commission for deposit in the Series 1997 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 1997 Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 Bonds Sinking Fund and the next quarterly interest payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly interest payment date, the required amount of interest coming due on such date, and (iii) commencing 4 months prior to the first date of payment of principal of the Series 1997 Bonds, remit to the Commission for deposit in the Series 1997 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1997 Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, (i) remit to the Commission the amount required by the Prior Ordinance to be deposited in the Series 1993 Bonds Reserve Account, and (ii) commencing 3 months prior to the first date of payment of principal of the Series 1997 Bonds, if not fully funded upon issuance of the Series 1997 Bonds, remit to the Commission for deposit in the Series 1997 Bonds Reserve

Account, an amount equal to 1/120 of the Series 1997 Bonds Reserve Account Requirement; provided, that no further payments shall be made into the Series 1997 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 1997 Bonds Reserve Account Requirement.

(4) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing with the first month in which interest shall be payable from the Revenue Fund and as previously set forth in the Prior Ordinance and not in addition thereto, transfer from the Revenue Fund to the Depreciation Fund, an amount equal to not less than 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of the Reserve Accounts.

Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in the Reserve Accounts (so that the amount on deposit therein is at least equal to the Reserve Account Requirement), or to reimburse in whole or in part any issuer of a reserve account letter of credit in the event of a draw thereon;

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Funds (excluding the Reserve Accounts);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board and the Issuer, moneys in the Depreciation Fund in excess of $1,000,000 may be used for optional redemption or for purchase of Bonds. In the event of purchase of Bonds, the Issuer may direct the purchase of Bonds offered for sale at the lowest price below the redemption price of such Bonds.

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

(6) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuring payment dates.

Moneys in the Series 1997 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1997 Bonds as the same shall become due. Moneys in the Series 1997 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1997 Bonds as the same shall come due, when other moneys in the Series 1997 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1997 Bonds Sinking Fund and the Series 1997 Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Bond Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 1997 Bonds and then to the next ensuing principal payment due thereon.

The Issuer shall restore any withdrawals from the Reserve Accounts which have the effect of reducing the assets therein below the Reserve Account Requirement, first, from the Depreciation Fund, and then from the first Net Revenues available after all other required payments to the Sinking Funds, including any deficiencies for prior payments have been made in full; provided, that the Issuer shall not be required to restore such deficiency when the aggregate amount of funds in the Sinking Funds, including the Reserve Accounts therein, are at least equal to the aggregate amount of Bonds issued pursuant to the Prior Ordinance and this Bond Legislation then Outstanding, plus the amount of interest due or thereafter to become due on said Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the

maximum provided and required to be paid into the concomitant sinking fund in any year for account of the Bonds of such series, including such additional Bonds which by their terms are payable from such sinking fund.

The Issuer shall not be required to make any further payments into the Series 1997 Bonds Sinking Fund, or into the Series 1997 Bonds Reserve Account therein when the aggregate amount of funds in said Sinking Fund and Reserve Account are at least equal to the aggregate principal amount of the Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal and interest payments, and any payments made for the purpose of funding a deficiency in any Reserve Account, shall be made on a parity and pro rata, with respect to the Prior Bonds and Series 1997 Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1997 Bonds Sinking Fund created hereunder, and all amounts required for the Series 1997 Bonds Sinking Fund shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 1997 Bonds Sinking Fund and the Series 1997 Bonds Reserve Account shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required hereunder.

Moneys in the Series 1997 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1997 Bonds Sinking Fund, including the Series 1997 Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1997 Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1997 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Loan Agreement.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement as Exhibit F, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this Section, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required.

E. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund and the Depreciation Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 1997 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1997 Bonds, there shall first be deposited with the Commission in the Series 1997 Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1997 Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1997 Bonds, there shall be deposited with the Commission in the Series 1997 Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 1997 Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1997 Bonds, such moneys shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 1997 Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 1997 Bonds shall be used to fund the Series 1997 Bonds Reserve Account, if not funded upon issuance of the Series 1997 Bonds, in an amount not to exceed the Series 1997 Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 1997 Bonds be deposited in the Series 1997 Bonds Reserve Account.

Section 6.02. Disbursements From the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 1997 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement as Exhibit C, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

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

(B) That 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) That each of such costs has been otherwise properly incurred; and

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

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 1997 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1997 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 1997 Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1997 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 1997 Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1997 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 1997 Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, on parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 1997 Bonds and to make the payments into the respective Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Prior Bonds and the Series 1997 Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates. Prior to the issuance of the Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for

contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than the sum of (i) 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, so long as the Prior Bonds are Outstanding, and thereafter 115% of such amount; provided that, in the event the Prior Bonds are no longer outstanding and an amount equal to or in excess of the Series 1997 Bonds Reserve Account Requirement is on deposit in the Series 1997 Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Series 1997 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Issuer that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, loan, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinance and with the written consent of the Authority.

So long as the Series 1997 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund shall reduce the amounts required to be paid into said fund by other provisions of the Prior Ordinance and this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $200,000 and insufficient to defease the pledge created by this Ordinance, as provided by Article X, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

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

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

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

Section 7.07. Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no additional parity Bonds, as in this section defined, payable out of the revenues of the System, shall be issued after the issuance of the Series 1997 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the acquisition and construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived, from the System during the Fiscal Year preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall, so long as any of the Prior Bonds are outstanding, not be less than 120% of the Maximum Annual Debt Service, and thereafter, shall not be less than 115% of the Maximum Annual Debt Service, on the following:

(1) The Prior Bonds and the Series 1997 Bonds then Outstanding;

(2) Any additional parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinance and this Bond Legislation then Outstanding; and

(3) The additional parity Bonds then proposed to be issued.

The "increased annual Net Revenues expected to be received" as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such additional parity Bonds, and the increased Net Revenues to be available as a result of existing additional customers required by law to be served by the System upon completion of the facilities to be financed with the proceeds of any such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the City Clerk of the Issuer prior to the issuance of such additional parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The term "additional parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Prior Bonds and the Series 1997 Bonds, and all the covenants and other provisions of the Prior Ordinance and this Bond Legislation (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Prior Bonds and the Series 1997 Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in the Prior Ordinance and this Bond Legislation required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Prior Ordinance and this Bond Legislation.

No additional parity Bonds shall be valid unless authenticated in accordance with the Prior Ordinance and this Bond Legislation. Prior to such authentication, registration, if applicable, and delivery, the Registrar shall receive those documents prescribed by the Prior Ordinance and this Bond Legislation, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity Bonds.

The term "additional parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the revenues of the System of which is subject to the prior and superior lien of the Bonds on such revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Net Revenues remaining after all payments required to be made in accordance with the Prior Ordinance and this Bond Legislation have first been paid. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for

payment from such revenues, with the Bonds except in the manner and under the conditions provided in this section.

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Prior Ordinance and this Bond Legislation on account of the Bonds then Outstanding (excluding the Depreciation Fund), and any other payments provided for in the Prior Ordinance and this Bond Legislation, shall have been made in full as required to the date of delivery of the additional parity Bonds.

The Issuer may issue additional parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds or portion thereof, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

Section 7.08. Books; Records and Facilities. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP 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 the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be

maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Issuer shall direct.

The Issuer shall file with the Consulting Engineers, the Authority and the DEP, or any other original purchaser of the Series 1997 Bonds, and shall mail in each year to any Holder or Holders of the Series 1997 Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Accountants in compliance with OMB Circular 128 and the Single Audit Act and shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Holder or Holders of the Series 1997 Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's operation and maintenance expenses and debt service requirements.

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

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

powers and rights of the Authority and the DEP with respect to the System pursuant to the Act.

Section 7.09. Securities Law Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.10. Operating Budget; Audit and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement as Exhibit B, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of acquisition and

construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and the DEP 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 resident engineer shall certify to the Authority, the DEP and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

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

The Issuer agrees that qualified operating personnel properly certified by the State will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 25% completion stage.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the water system, if so owned by the Issuer to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law or, if the waterworks facilities are not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar 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 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 1997 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the System, the

Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Board and the Issuer during construction of the Project in the full insurable value thereof.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the Board from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer and the Board from claims arising out of operation or ownership of motor vehicles of or for the System, provided that, the Board, with the review of an insurance consultant and the concurrence of the Issuer, may elect to self-insure. If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other municipal water and sewer systems of similar size and type in the State to the extent that such information is available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

(4) FIDELITY BONDS will be provided as to every officer and employee of the Board having custody of the revenues or of any

other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

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

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

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

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

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

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

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the West Virginia Public Service Commission necessary for the acquisition and construction of the Project and the operation of the System.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority.

The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the DEP or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1997 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1997 Bonds during the term thereof is, under the terms of the Series 1997 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1997 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 1997 Bonds during the term thereof is, under the terms of the Series 1997 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 1997 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1997 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1997 Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1997 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1997 Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1997 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, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

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

The following specific provisions shall apply with respect to any investments made under this section:

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

(B) The Issuer shall, or shall cause the Commission to semiannually transfer from the Reserve Accounts to the Sinking Funds any earnings on the moneys deposited therein and any other funds in excess of the Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in the Reserve Accounts an amount at least equal to the Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Reserve Accounts, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Reserve Accounts shall, at any

time, be less than the applicable Reserve Account Requirement, the applicable Bond Insurer or Bondholder shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Net Revenues after required deposits to the Sinking Funds and otherwise in accordance with the Prior Ordinance and this Bond Legislation.

(D) All amounts representing accrued and capitalized interest shall be held by the Commission, pledged solely to the payment of interest on the Bonds 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 moneys deposited in the Sinking Funds may be invested by the Commission in the West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding 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.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1997 Bonds which would cause the Series 1997 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 1997 Bonds) so that the interest on the Series 1997 Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1997 Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1997 Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private

activity bonds) issued by the Issuer during the calendar year in which the Series 1997 Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect an applicable to the Series 1997 Bonds. For purposes of the first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay from any lawful sources available therefor, to the United States such amount, plus a penalty equal to 50% of the rebate amount not paid, plus interest on that amount, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1997 Bonds subject to rebate. The Issuer shall

also furnish 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).

ARTICLE IX

DEFAULT AND REMEDIES

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

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

(2) If default occurs in the Issuer's or the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Bonds set forth in this Bond Legislation, any supplemental resolution or in the Bonds, and such default shall have continued for a period of 30 days after the Issuer or Issuer, as appropriate 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 Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 1997 Bonds shall be on a parity with the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the

Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and

making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 1997 Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1997 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1997 Bonds from gross income for federal income tax purposes.

Series 1997 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 either at maturity or at the next redemption date, the principal installments of and interest on such Series 1997 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 1997 Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1997 Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1997 Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1997 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1997 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 1997 Bonds shall be made without the consent in writing of the Registered Owners of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 1997 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 1997 Bonds from gross income of the holders thereof.

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

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

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

Section 11.05. Conflicting Provisions Repealed; Prior Ordinance. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall

control (unless less restrictive), so long as the Prior Bonds or any portion thereof are Outstanding.

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

Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

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

Passed on First Reading:	November 13, 1995
Passed on Second Reading:	November 27, 1995
Passed on Final Reading Following Public Hearing:	December 11, 1995

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF HUNTINGTON on the 11th day of December, 1995.

Dated: November 25, 1997.

[SEAL]

City Clerk

EXHIBIT A

Loan Agreement included in bond transcript as Document No. 3

10/24/97
435500/94001

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 1997
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF HUNTINGTON; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the city council (the "Governing Body") of The City of Huntington (the "Issuer"), has duly and officially adopted and enacted a bond ordinance, effective December 11, 1995 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $4,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1995 (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF

SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds, Series 1995 (West Virginia SRF Program), of the Issuer, in the aggregate principal amount not to exceed $4,000,000;

WHEREAS, the Sewer Revenue Bonds, Series 1995 (West Virginia SRF Program), were not issued in 1995, but will be issued in 1997;

WHEREAS, the Governing Body desires to redesignate the Bonds as "Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program)" (the "Bonds" or the "Series 1997 Bonds");

WHEREAS, the Bond Ordinance has authorized the execution and delivery of a loan agreement relating to the Bonds (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted, the Sewer Revenue Bonds, Series 1995 (West Virginia SRF Program), are hereby redesignated as "Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program)," and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered R-1, in the principal amount of $3,039,895. The Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2019, and shall bear interest at the rate of 2% per annum. The principal of and the interest on the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 1998, and ending March 1, 2019, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

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

Section 3. The Issuer does hereby approve and shall pay the administrative fee equal to 1% of the principal amount of the Bonds set forth in the "Schedule Y" attached to the Loan Agreement.

Section 4. The Issuer does hereby ratify, approve and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 5. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

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

Section 7. The Issuer does hereby appoint and designate Bank One, West Virginia, National Association, Huntington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 1997 Bonds proceeds in the amount of $-0- shall be deposited in the Series 1997 Bonds Sinking Fund, as capitalized interest.

Section 9. Series 1997 Bonds proceeds in the amount of $177,634 shall be deposited in the Series 1997 Bonds Reserve Account.

Section 10. The balance of the proceeds of the Bonds shall be deposited in or credited to the Bond Construction Trust Fund as received from time to time for payment of the costs of the Project, including costs of issuance of the Bonds and related costs.

Section 11. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about November 25, 1997, to the Authority pursuant to the Loan Agreement.

Section 12. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project, including without limitation, Contract 1 with McCoy Construction Company and Contract 2 with B. & L. Utility Contractors, Inc.

Section 14. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in

repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Moneys in the Series 1997 Bonds Sinking Fund, including the Series 1997 Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 16. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than $5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1997, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 10th day of November, 1997.

Jean Dan

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Huntington on the 10th day of November, 1997.

Dated: November 25, 1997.

[SEAL]

City Clerk

11/03/97
435500/94001

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON
SEWER REVENUE BOND,
SERIES 1997
(WEST VIRGINIA SRF PROGRAM)

No. R-1 $3,039,895

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of THREE MILLION THIRTY-NINE THOUSAND EIGHT HUNDRED NINETY-FIVE DOLLARS ($3,039,895), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 1998, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 1998, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Division of Environmental Protection (the "DEP), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated October 17, 1997.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on December 11, 1995, and a Supplemental Resolution duly adopted by the Issuer on November 10, 1997 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 1, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,100,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1995 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 1995 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Prior Bonds are outstanding, and thereafter, 115% of such amount; provided however, that, if the Prior Bonds are no longer outstanding and so long as there exists in the Series 1995 Bonds Reserve

Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the Costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated November 25, 1997.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1995 Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: November 25, 1997.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$3,039,895	11-25-97	(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

TOTAL $3,039,895

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

City of Huntington, West Virginia
$3,039,895.00 Loan -- 2% Interest, 1% Admin. Fee
20 Years

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
3/01/1998	-	-	-	-
6/01/1998	29,209.00	2.000%	15,199.48	44,408.48
9/01/1998	29,355.04	2.000%	15,053.43	44,408.47
12/01/1998	29,501.82	2.000%	14,906.65	44,408.47
3/01/1999	29,649.33	2.000%	14,759.15	44,408.48
6/01/1999	29,797.57	2.000%	14,610.90	44,408.47
9/01/1999	29,946.56	2.000%	14,461.91	44,408.47
12/01/1999	30,096.29	2.000%	14,312.18	44,408.47
3/01/2000	30,246.77	2.000%	14,161.70	44,408.47
6/01/2000	30,398.01	2.000%	14,010.46	44,408.47
9/01/2000	30,550.00	2.000%	13,858.47	44,408.47
12/01/2000	30,702.75	2.000%	13,705.72	44,408.47
3/01/2001	30,856.26	2.000%	13,552.21	44,408.47
6/01/2001	31,010.54	2.000%	13,397.93	44,408.47
9/01/2001	31,165.60	2.000%	13,242.88	44,408.48
12/01/2001	31,321.42	2.000%	13,087.05	44,408.47
3/01/2002	31,478.03	2.000%	12,930.44	44,408.47
6/01/2002	31,635.42	2.000%	12,773.05	44,408.47
9/01/2002	31,793.60	2.000%	12,614.87	44,408.47
12/01/2002	31,952.57	2.000%	12,455.90	44,408.47
3/01/2003	32,112.33	2.000%	12,296.14	44,408.47
6/01/2003	32,272.89	2.000%	12,135.58	44,408.47
9/01/2003	32,434.26	2.000%	11,974.22	44,408.48
12/01/2003	32,596.43	2.000%	11,812.04	44,408.47
3/01/2004	32,759.41	2.000%	11,649.06	44,408.47
6/01/2004	32,923.21	2.000%	11,485.27	44,408.48
9/01/2004	33,087.82	2.000%	11,320.65	44,408.47
12/01/2004	33,253.26	2.000%	11,155.21	44,408.47
3/01/2005	33,419.53	2.000%	10,988.94	44,408.47
6/01/2005	33,586.63	2.000%	10,821.85	44,408.48
9/01/2005	33,754.56	2.000%	10,653.91	44,408.47
12/01/2005	33,923.33	2.000%	10,485.14	44,408.47
3/01/2006	34,092.95	2.000%	10,315.52	44,408.47
6/01/2006	34,263.41	2.000%	10,145.06	44,408.47
9/01/2006	34,434.73	2.000%	9,973.74	44,408.47
12/01/2006	34,606.90	2.000%	9,801.57	44,408.47
3/01/2007	34,779.94	2.000%	9,628.53	44,408.47
6/01/2007	34,953.84	2.000%	9,454.63	44,408.47
9/01/2007	35,128.61	2.000%	9,279.86	44,408.47
12/01/2007	35,304.25	2.000%	9,104.22	44,408.47
3/01/2008	35,480.77	2.000%	8,927.70	44,408.47
6/01/2008	35,658.17	2.000%	8,750.30	44,408.47
9/01/2008	35,836.47	2.000%	8,572.01	44,408.48
12/01/2008	36,015.65	2.000%	8,392.82	44,408.47
3/01/2009	36,195.73	2.000%	8,212.75	44,408.48

City of Huntington, West Virginia
$3;039.895.00 Loan -- 2% Interest, 1% Admin. Fee
20 Years

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2009	36,376.71	2.000%	8,031.77	44,408.48
9/01/2009	36,558.59	2.000%	7,849.88	44,408.47
12/01/2009	36,741.38	2.000%	7,667.09	44,408.47
3/01/2010	36,925.09	2.000%	7,483.38	44,408.47
6/01/2010	37,109.71	2.000%	7,298.76	44,408.47
9/01/2010	37,295.26	2.000%	7,113.21	44,408.47
12/01/2010	37,481.74	2.000%	6,926.73	44,408.47
3/01/2011	37,669.15	2.000%	6,739.32	44,408.47
6/01/2011	37,857.49	2.000%	6,550.98	44,408.47
9/01/2011	38,046.78	2.000%	6,361.69	44,408.47
12/01/2011	38,237.01	2.000%	6,171.46	44,408.47
3/01/2012	38,428.20	2.000%	5,980.27	44,408.47
6/01/2012	38,620.34	2.000%	5,788.13	44,408.47
9/01/2012	38,813.44	2.000%	5,595.03	44,408.47
12/01/2012	39,007.51	2.000%	5,400.96	44,408.47
3/01/2013	39,202.55	2.000%	5,205.92	44,408.47
6/01/2013	39,398.56	2.000%	5,009.91	44,408.47
9/01/2013	39,595.55	2.000%	4,812.92	44,408.47
12/01/2013	39,793.53	2.000%	4,614.94	44,408.47
3/01/2014	39,992.50	2.000%	4,415.97	44,408.47
6/01/2014	40,192.46	2.000%	4,216.01	44,408.47
9/01/2014	40,393.42	2.000%	4,015.05	44,408.47
12/01/2014	40,595.39	2.000%	3,813.08	44,408.47
3/01/2015	40,798.37	2.000%	3,610.10	44,408.47
6/01/2015	41,002.36	2.000%	3,406.11	44,408.47
9/01/2015	41,207.37	2.000%	3,201.10	44,408.47
12/01/2015	41,413.41	2.000%	2,995.06	44,408.47
3/01/2016	41,620.47	2.000%	2,788.00	44,408.47
6/01/2016	41,828.58	2.000%	2,579.90	44,408.48
9/01/2016	42,037.72	2.000%	2,370.75	44,408.47
12/01/2016	42,247.91	2.000%	2,160.56	44,408.47
3/01/2017	42,459.15	2.000%	1,949.32	44,408.47
6/01/2017	42,671.44	2.000%	1,737.03	44,408.47
9/01/2017	42,884.80	2.000%	1,523.67	44,408.47
12/01/2017	43,099.22	2.000%	1,309.25	44,408.47
3/01/2018	43,314.72	2.000%	1,093.75	44,408.47
6/01/2018	43,531.29	2.000%	877.18	44,408.47
9/01/2018	43,748.95	2.000%	659.52	44,408.47
12/01/2018	43,967.70	2.000%	440.78	44,408.48
3/01/2019	44,187.52	2.000%	220.94	44,408.46
TOTAL	3,039,895.00	-	690,416.58	3,730,311.58 *

*Plus $4,315 one-percent administrative fee paid quarterly.
Total fee paid over the life of the loan is $345,200.00.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

THE CITY OF HUNTINGTON

SEWER REVENUE BONDS, SERIES 1999
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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THE CITY OF HUNTINGTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF HUNTINGTON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of Huntington (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Cabell and Wayne Counties of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements for the existing public sewerage system of the Issuer, consisting of replacement and relocation of an existing force main, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection and transportation of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), in the total aggregate principal amount of not more than $2,100,000 (the "Series 1999 Bonds"), initially to be represented by a single bond, to permanently finance a portion of costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest upon the Series 1999 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 1999 Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1999 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1999 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 25 years.

F. It is in the best interests of the Issuer that its Series 1999 Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement (the "Loan Agreement") by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on parity with the Series 1999 Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000, and the Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895 (collectively, the "Prior Bonds").

The Series 1999 Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 1999 Bonds, the Issuer will obtain a certificate of an Independent Accountant stating that the parity test of the Prior Bonds is met. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Prior Bonds and the Series 1999 Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 1999 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 1999 Bonds or such final order will not be subject to appeal.

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 1999 Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue

obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefitting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 1999 Bonds are to be issued.

K. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Council to issue the Series 1999 Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 1999 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 1999 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1999 Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

"Board" means the Sanitary Board of the Issuer.

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

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

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

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

"Bonds" means, collectively, the Series 1999 Bonds, the Prior Bonds, and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 1999 Bonds for the proceeds representing the purchase price of the Series 1999 Bonds or at least a de minimis portion thereof from the Authority and the DEP.

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

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

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

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

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

"DEP" means the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment, or any other agency, board or department of the State that succeeds to the functions of the DEP.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

"Depreciation Fund" means the Depreciation Fund established by the Prior Ordinances and continued hereby.

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

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

"Governing Body" means the Council of the Issuer.

"Government Obligations" means direct and general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of ownership of proportionate interests in future interest and principal payments of such obligations; provided that, investments in such proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for

uncollectible accounts, and includes any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments).

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

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

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

"Issuer" means The City of Huntington, a municipal corporation and political subdivision of the State of West Virginia, in Cabell and Wayne Counties, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into among the Authority, the DEP and the Issuer, providing for the purchase of the Series 1999 Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

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

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1999 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1999 Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1999 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1999 Bonds and is not acquired in order to carry out the governmental purpose of the Series 1999 Bonds.

"Operating Expenses" unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, the SRF Administrative Fee, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" means, collectively, the Issuer's Series 1993 Bonds and the Series 1997 Bonds.

"Prior Ordinances" means, collectively, the ordinance of the Issuer enacted on October 12, 1993, as supplemented by the supplemental resolution of the Issuer adopted November 3, 1993, authorizing the Series 1993 Bonds, and the ordinance of the Issuer

enacted on December 11, 1995, as supplemented by the supplemental resolution of the Issuer adopted November 10, 1997, authorizing the Series 1997 Bonds.

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

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

"Qualified Investments" means and includes the following:

1. (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government sponsored agencies which are not backed by the full faith and credit of the United States of America:

-Federal Home Loan Mortgage Corporation (FHLMC)
Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
Senior Debt obligations
-Farm Credit Banks (formerly, Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
Consolidated system-wide bonds and notes
-Federal Home Loan Banks (FHL Banks)
Consolidated debt obligations
-Federal National Mortgage Association (FNMA)
Senior debt obligations

Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

-Student Loan Marketing Association (SLMA)

Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)

-Financing Corporation (FICO)

Debt obligations

-Resolution Funding Corporation (REFCORP)

Debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated `A-1' or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million.

6. Commercial paper (having original maturities of not more than 270 days) rated `A-1+' by S&P and `Prime-1' by Moody's.

7. Money market funds rated `AAm' or `AAm-G' by S&P, or better.

8. "State Obligations," which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated `A3' by Moody's and `A' by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated `A-1+' by S&P and `Prime-1' by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated `AA' or better by S&P and `Aa' or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investors Service meeting the following requirements:

A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

B. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

F. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements:

A. With any domestic bank the long term debt of which is rated 'AA' or better by S&P (so long as an opinion is rendered that the repurchase agreement is a "repurchase agreement" and a "qualified financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA), or any foreign bank the long term debt of which is rated at least 'AA' by S&P and 'AAA' by S&P and at least 'Aa' by Moody's; provided the term of such repurchase agreement is for one year or less.

B. With (1) any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least 'AA' by S&P and 'Aa' by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or (2) any other entity approved by Financial Security, provided that:

a. The market value of the collateral is maintained (i) for United States Treasury Securities at the levels shown below under "Collateral Levels for United States Treasury Obligations" and (ii) for other collateral, at levels acceptable to Financial Security;

b. Failure to maintain the requisite collateral percentage will require the Issuer to liquidate the collateral.

c. The Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

d. The repurchase agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

e. The transferor represents that the collateral is free and clear of any third-party liens or claims;

f. An opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a bank, that such bank is subject to FIRREA and the repurchase agreement is a "qualified financial contract" as defined in FIRREA;

g. There is or will be a written agreement governing every repurchase transaction;

h. The Issuer represents that it has no knowledge of any fraud involved in the repurchase transaction; and

i. The Issuer receives the opinion of counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such repurchase agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms.

11. Investment agreements with (A) a domestic bank the long-term debt of which is rated at least 'AA' by S&P and 'Aa' by Moody's (so long as an opinion is rendered that the bank is subject to FIRREA); or (B) a foreign bank the long-term debt of which is rated 'AAA' by S&P and at least "Aa' by Moody's, or at least 'AA' by S&P and 'Aaa' by Moody's; provided, that, by the terms of the investment agreement:

(1) interest payments are to be made at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided that the Ordinance specifically requires the Issuer to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(4) a fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under the Ordinance;

(5) the term of the investment agreement does not exceed seven years or such longer term as shall be approved by the Bond Insurer;

(6) the Issuer receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable;

(7) the investment agreement shall provide that if during its term

(a) the provider's rating by either S&P or Moody's falls below 'AA' or 'Aa,' respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") United States Treasury Obligations which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(b) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below 'A,' or, with respect to a foreign bank, below "AA" or "Aa" by S&P or Moody's, as appropriate, the provider must, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer; and

(8) The investment agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(9) the investment agreement must provide that if during its term

(a) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate, and

(b) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate.

(10) Any State-administered pool investment fund in which the Issuer is statutorily permitted or required to invest.

(11) Subject to the prior written approval of the Bond Insurer, such other obligations as shall be permitted to be legal investments of the Issuer by the laws of the State.

COLLATERAL LEVELS FOR UNITED STATES TREASURY OBLIGATIONS

	Remaining maturity				
	1 year or less	5 years or less	10 years or less	15 years or less	30 years or less
Frequency of valuation					
Daily	102	105	106	108	114
Weekly	103	111	112	114	120
Monthly	105	117	120	125	133
Quarterly	107	120	130	133	140

VALUATION REQUIREMENTS:

(1) On each valuation date the Issuer, the Paying Agent, or the custodian who shall confirm to the Issuer and the Paying Agent, shall, at the cost of the provider, value the

market value (exclusive of accrued interest) of the collateral, which market value will be an amount equal to the requisite collateral percentage times the principal amount of the investment and unpaid accrued interest thereon that is being secured;

(2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly and monthly valuations, and one month for quarterly valuations. [The use of different restoration periods affect the requisite collateral percentage.];

(3) The Issuer shall terminate the repurchase agreement or investment agreement, as appropriate, upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the collateral, liquidate the collateral.

(f) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account.

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

"Registrar" means the Bond Registrar.

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 1999 Bonds.

"Reserve Account Requirement" means, collectively, the respective amounts required to be on deposit in any reserve account for the Bonds.

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

"Series 1993 Bonds" means the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000.

"Series 1997 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895.

"Series 1999 Bonds" means the Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 1999 Bonds Reserve Account" means the Series 1999 Bonds Reserve Account established in the Series 1999 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1999 Bonds Reserve Account Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1999 Bonds in the then current or any succeeding year.

"Series 1999 Bonds Sinking Fund" means the Series 1999 Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking fund established for the Prior Bonds and the Series 1999 Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 1999 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1999 Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means, collectively, the complete existing municipal sewage treatment and collection system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of $2,100,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 1999 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the SRF Program. The cost of the Project is estimated not to exceed $2,100,000, all of which will be obtained from proceeds of the Series 1999 Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1999 Bonds, funding a reserve account for the Series 1999 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 1999 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 negotiable Series 1999 Bonds of the Issuer. The Series 1999 Bonds shall be issued as a single bond, designated "Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program)", in the principal amount of not more than $2,100,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1999 Bonds remaining after funding of the Series 1999 Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 1999 Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 1999 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1999 Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1999 Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 1999 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 1999 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 1999 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 1999 Bonds shall cease to be such officer of the Issuer before the Series 1999 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 1999 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 1999 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 1999 Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1999 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 1999 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 1999 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 1999 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 1999 Bonds or transferring the registered Series 1999 Bonds are exercised, all Series 1999 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 1999 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 1999 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 1999 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 1999 Bonds or, in the case of any proposed redemption of Series 1999 Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 1999 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1999 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 1999 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1999 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 1999 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 1999 Bonds and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1999 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1999 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 1999 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1999 Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 1999 Bonds.

Section 3.10. Form of Bonds. The text of the Series 1999 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON
SEWER REVENUE BOND,
SERIES 1999
(WEST VIRGINIA SRF PROGRAM)

No. R-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell and Wayne Counties of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Division of Environmental Protection (the "DEP), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated _____, 199___.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 199___, and a Supplemental Resolution duly adopted by the Issuer on _____, 199___ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 1, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,100,000 (THE "SERIES 1993 BONDS"), AND SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"). THE SERIES 1993 BONDS AND THE SERIES 1997 BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1999 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside

as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 1999 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Series 1993 Bonds are outstanding, and thereafter, 115% of such amount; provided however, that, if the Series 1993 Bonds are no longer outstanding and so long as there exists in the Series 1999 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 199___.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1999 Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199___.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

_____

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1999 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

(3) Bond Construction Trust Fund.

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

(1) Series 1993 Bonds Sinking Fund (established by the Prior Ordinances);

(2) Within the Series 1993 Bonds Sinking Fund, the Series 1993 Bonds Reserve Account (established by the Prior Ordinances);

(3) Within the Series 1993 Bonds Sinking Fund, the Series 1993 Bonds Redemption Account (established by the Prior Ordinances);

(4) Series 1997 Bonds Sinking Fund (established by the Prior Ordinances);

(5) Within the Series 1997 Bonds Sinking Fund, the Series 1997 Bonds Reserve Account (established by the Prior Ordinances);

(6) Series 1999 Bonds Sinking Fund;

(7) Within the Series 1999 Bonds Sinking Fund, the Series 1999 Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Prior Ordinances and in this Bond Legislation. All moneys in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1993 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the interest on the Series 1993 Bonds; (ii) for deposit in the Series 1997 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the interest on the Series 1997 Bonds; and (iii) commencing 3 months prior to the first date of payment of interest on the Series 1999 Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 1999 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 1999 Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1999 Bonds Sinking Fund and the next quarterly interest payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1993 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the principal of the Series 1993 Bonds; (ii) for deposit in the Series 1997 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the interest on the Series 1997 Bonds; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 1999 Bonds, for deposit in the Series 1999 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1999 Bonds on the next ensuing quarterly principal payment date; provided that, in

the event the period to elapse between the date of such initial deposit in the Series 1999 Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1993 Bonds Reserve Account, the amount required by the Prior Ordinances; (ii) for deposit in the Series 1997 Bonds Reserve Account, the amount required by the Prior Ordinances; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 1999 Bonds, if not fully funded upon issuance of the Series 1999 Bonds, for deposit in the Series 1999 Bonds Reserve Account, an amount equal to 1/120th of the Series 1999 Bonds Reserve Account Requirement; provided that, no further payments shall be made into the Series 1999 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 1999 Bonds Reserve Account Requirement.

(5) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing with the first month in which interest shall be payable from the Revenue Fund and as previously set forth in the Prior Ordinances and not in addition thereto, transfer from the Revenue Fund to the Depreciation Fund, an amount equal to not less than 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of the Reserve Accounts.

Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in the Reserve Accounts (so that the amount on deposit therein is at least equal to the Reserve Account Requirement), or to reimburse in whole or in part any issuer of a reserve account letter of credit in the event of a draw thereon;

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for

such purpose in the Sinking Funds (excluding the Reserve Accounts);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board and the Issuer, moneys in the Depreciation Fund in excess of $1,000,000 may be used for optional redemption or for purchase of Bonds. In the event of purchase of Bonds, the Issuer may direct the purchase of Bonds offered for sale at the lowest price below the redemption price of such Bonds.

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

(7) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuring payment dates.

Moneys in the Series 1999 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1999 Bonds as the same shall become due. Moneys in the Series 1999 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1999 Bonds as the same shall come due, when other moneys in the Series 1999 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1999 Bonds Sinking Fund and the Series 1999 Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Bond Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 1999 Bonds and then to the next ensuing principal payment due thereon.

The Issuer shall restore any withdrawals from the Reserve Accounts which have the effect of reducing the assets therein below the Reserve Account Requirement, first, from the Depreciation Fund, and then from the first Net Revenues available after all other required payments to the Sinking Funds, including any deficiencies for prior payments have been made in full; provided, that the Issuer shall not be required to restore such deficiency when the aggregate amount of funds in the Sinking Funds, including the Reserve Accounts therein, are at least equal to the aggregate amount of Bonds issued pursuant to the Prior Ordinances and this Bond Legislation then Outstanding, plus the amount of interest due or thereafter to become due on said Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 1999 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional Bonds.

The Issuer shall not be required to make any further payments into the Series 1999 Bonds Sinking Fund or the Series 1999 Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1999 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and Series 1999 Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1999 Bonds Sinking Fund and the Series 1999 Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 1999 Bonds Sinking Fund and the Series 1999 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1999 Bonds Sinking Fund and the Series 1999 Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1999 Bonds under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1999 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Loan Agreement.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement as Exhibit F, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this Section, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 1999 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1999 Bonds, there shall first be deposited with the Commission in the Series 1999 Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1999 Bonds for the period commencing on the date of issuance of the Series 1999 Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1999 Bonds, there shall be deposited with the Commission in the Series 1999 Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 1999 Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1999 Bonds, such moneys shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 1999 Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 1999 Bonds shall be used to fund the Series 1999 Bonds Reserve Account, if not funded upon issuance of the Series 1999 Bonds, in an amount not to exceed the Series 1999 Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 1999 Bonds be deposited in the Series 1999 Bonds Reserve Account.

Section 6.02. Disbursements From the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 1999 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement as Exhibit C, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 1999 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1999 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 1999 Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1999 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 1999 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1999 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 1999 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 1999 Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. 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 Issuer enacted October 26, 1998, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, loan, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances and with the written consent of the Authority and the DEP.

So long as the Series 1999 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1999 Bonds, immediately be remitted to the Commission for deposit in the Series 1999 Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 1999 Bonds. Any balance remaining after the payment of the Series 1999 Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund shall not reduce the amounts required to be paid into said fund by other provisions of the Prior Ordinances and this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Series 1999 Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Series 1999 Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 1999 Bonds. All obligations issued by the Issuer after the issuance of the Series 1999 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1999 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 1999 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 1999 Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional parity Bonds, as in this section defined, payable out of the revenues of the System, shall be issued after the issuance of the Series 1999 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the acquisition and construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually

derived, from the System during the Fiscal Year preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall, so long as any of the Series 1993 Bonds are outstanding, not be less than 120% of the Maximum Annual Debt Service, and thereafter, shall not be less than 115% of the Maximum Annual Debt Service, on the following:

(1) The Prior Bonds and the Series 1999 Bonds then Outstanding;

(2) Any additional parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances and this Bond Legislation then Outstanding; and

(3) The additional parity Bonds then proposed to be issued.

The "increased annual Net Revenues expected to be received" as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such additional parity Bonds, and the increased Net Revenues to be available as a result of existing additional customers required by law to be served by the System upon completion of the facilities to be financed with the proceeds of any such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the City Clerk of the Issuer prior to the issuance of such additional parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The term "additional parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Prior Bonds and the Series 1999 Bonds, and all the covenants and other provisions of the Prior Ordinances and this Bond Legislation (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Prior Bonds and the Series 1999 Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in the Prior Ordinances and this Bond Legislation required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Prior Ordinances and this Bond Legislation.

No additional parity Bonds shall be valid unless authenticated in accordance with the Prior Ordinances and this Bond Legislation. Prior to such authentication, registration, if applicable, and delivery, the Registrar shall receive those documents prescribed by the Prior Ordinances and this Bond Legislation, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity Bonds.

The term "additional parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the revenues of the System of which is subject to the prior and superior lien of the Bonds on such revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Net Revenues remaining after all payments required to be made in accordance with the Prior Ordinances and this Bond Legislation have first been paid. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues, with the Prior Bonds and the Series 1999 Bonds except in the manner and under the conditions provided in this section.

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Prior Ordinances and this Bond Legislation on account of the Prior Bonds and the Series 1999 Bonds then Outstanding (excluding the Depreciation Fund), and any other payments provided for in the Prior Ordinances and this Bond Legislation, shall have been made in full as required to the date of delivery of the additional parity Bonds.

The Issuer may issue additional parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds or portion thereof, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP 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 the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

The Issuer shall file with the Consulting Engineers, the Authority and the DEP, or any other original purchaser of the Series 1999 Bonds, and shall mail in each year to any Holder or Holders of the Series 1999 Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Accountants in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Accountants, or a summary thereof, to any Holder or Holders of

the Series 1999 Bonds and shall submit the report to the Authority and the DEP, or any other original purchaser of the Series 1999 Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09. Rates. Prior to the issuance of the Series 1999 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than the sum of (i) 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, so long as the Series 1993 Bonds are Outstanding, and thereafter 115% of such amount; provided that, in the event the Series 1993 Bonds are no longer outstanding and an amount equal to or in excess of the Series 1999 Bonds Reserve Account Requirement is on deposit in the Series 1999 Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Series 1999 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month.

All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Issuer that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement as Exhibit B, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in

accordance with the approved plans, specifications and designs as submitted to the Authority and the DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and the DEP 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 resident engineer shall certify to the Authority, the DEP and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

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

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 25% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 25% completion stage.

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

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or

authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the water system, if so owned by the Issuer to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law or, if the waterworks facilities are not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar 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 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 1999 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the prime contractor and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the Board from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer and the Board from claims arising out of operation or ownership of motor vehicles of or for the System, provided that, the Board, with the review of an insurance consultant and the concurrence of the Issuer, may elect to self-insure. If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other municipal water and sewer systems of similar size and type in the State to the extent that such information is available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the County Commission

of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

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

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

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

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

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

building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the sewerage facilities portion of the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the sewerage facilities portion of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the West Virginia Public Service Commission necessary for the acquisition and construction of the Project and the operation of the System.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the DEP or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1999 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1999 Bonds during the term thereof is, under the terms of the Series 1999 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used

for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1999 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 1999 Bonds during the term thereof is, under the terms of the Series 1999 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 1999 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1999 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1999 Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1999 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1999 Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1999 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, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

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

Section 7.21. Contracts. A. The Issuer shall, simultaneously with the delivery of the Series 1999 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 1999 Bonds held in "contingency" as set forth in the Schedule A attached to the Loan Agreement. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 1999 Bonds made available due to bid or construction or project underruns.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

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

The following specific provisions shall apply with respect to any investments made under this section:

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

(B) The Issuer shall, or shall cause the Commission to semiannually transfer from the Reserve Accounts to the Sinking Funds any earnings on the moneys deposited therein and any other funds in excess of the Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in the Reserve Accounts an amount at least equal to the Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Reserve Accounts, whereupon it shall be valued immediately after such withdrawal. If amounts

on deposit in the Reserve Accounts shall, at any time, be less than the applicable Reserve Account Requirement, the applicable Bond Insurer or Bondholder shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Net Revenues after required deposits to the Sinking Funds and otherwise in accordance with the Prior Ordinances and this Bond Legislation.

(D) All amounts representing accrued and capitalized interest shall be held by the Commission, pledged solely to the payment of interest on the Bonds 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 moneys deposited in the Sinking Funds may be invested by the 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.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 1999 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 1999 Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1999 Bonds which would cause the Series 1999 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 1999 Bonds) so that the interest on the Series 1999 Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1999 Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1999 Bonds are to be used for local governmental activities of the Issuer (or of a

governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 1999 Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect an applicable to the Series 1999 Bonds. For purposes of the first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1999 Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1999 Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay from any lawful sources available therefor, to the United States such amount, plus a penalty equal to 50% of the rebate amount not paid, plus interest on that amount, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the

small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1999 Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Series 1999 Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 1999 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 1999 Bonds; or

(2) If default occurs in the Issuer's or the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 1999 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 1999 Bonds, and such default shall have continued for a period of 30 days after the Issuer or Issuer, as appropriate 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 Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 1999 Bonds shall be on a parity with the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the

System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 1999 Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1999 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1999 Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1999 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1999 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 1999 Bonds shall be made without the consent in writing of the Registered Owners of the Series 1999 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 1999 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 1999 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 1999 Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 1999 Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Ordinances. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall

control (unless less restrictive), so long as the Prior Bonds or any portion thereof are Outstanding.

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

Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

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

Passed on First Reading:	May 10, 1999
Passed on Second Reading:	May 24, 1999
Passed on Final Reading Following Public Hearing:	June 14, 1999

Joan Dean

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF HUNTINGTON on the 14th day of June, 1999.

Dated: June 22, 1999.

[SEAL]

City Clerk

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 1999
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF HUNTINGTON; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the city council (the "Governing Body") of The City of Huntington (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective June 14, 1999 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS;

APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program) (the "Bonds" or the "Series 1999 Bonds"), of the Issuer, in the aggregate principal amount not to exceed $2,100,000, and has authorized the execution and delivery of a loan agreement relating to the Bonds (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered R-1, in the principal amount of $2,083,550. The Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2020, and shall bear interest at the rate of 2% per annum. The principal of and the interest on the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2000, and ending June 1, 2020, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

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

Section 3. The Issuer does hereby approve and shall pay the administrative fee equal to 1% of the principal amount of the Bonds set forth in the "Schedule Y" attached to the Loan Agreement.

Section 4. The Issuer does hereby ratify, approve and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 5. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

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

Section 7. The Issuer does hereby appoint and designate Bank One, West Virginia, National Association, Huntington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 1999 Bonds proceeds in the amount of $-0- shall be deposited in the Series 1999 Bonds Sinking Fund, as capitalized interest.

Section 9. Series 1999 Bonds proceeds in the amount of $-0- shall be deposited in the Series 1999 Bonds Reserve Account.

Section 10. The balance of the proceeds of the Bonds shall be deposited in or credited to the Bond Construction Trust Fund as received from time to time for payment of the costs of the Project, including costs of issuance of the Bonds and related costs.

Section 11. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about June 22, 1999, to the Authority pursuant to the Loan Agreement.

Section 12. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 14. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Moneys in the Series 1999 Bonds Sinking Fund, including the Series 1999 Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The

Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 16. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than $5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1999, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 14th day of June, 1999.

Sean Sean

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Huntington on the 14th day of June, 1999.

Dated: June 22, 1999.

[SEAL]

City Clerk

05/11/99
435500/98001

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON
SEWER REVENUE BOND,
SERIES 1999
(WEST VIRGINIA SRF PROGRAM)

No. R-1 $2,083,550

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell and Wayne Counties of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWO MILLION EIGHTY-THREE THOUSAND FIVE HUNDRED FIFTY DOLLARS ($2,083,550), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2000, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2000, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia

Division of Environmental Protection (the "DEP), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated May 19, 1999.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on June 14, 1999, and a Supplemental Resolution duly adopted by the Issuer on June 14, 1999 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 1, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,100,000 (THE "SERIES 1993 BONDS"), AND SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"). THE SERIES 1993 BONDS AND THE SERIES 1997 BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1999 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 1999 Bonds

Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Series 1993 Bonds are outstanding, and thereafter, 115% of such amount; provided however, that, if the Series 1993 Bonds are no longer outstanding and so long as there exists in the Series 1999 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes

of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated June 22, 1999.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1999 Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: June 22, 1999.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$163,745	6-22-99	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

City of Huntington, West Virginia

$2,083,550 CWSRF Loan

20 Years, 2% Interest Rate, 1% Administrative Fee

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
9/01/1999	-	-	-	-
12/01/1999	-	-	-	-
3/01/2000	-	-	-	-
6/01/2000	-	-	-	-
9/01/2000	21,246.00	2.000%	10,417.75	31,663.75
12/01/2000	21,352.00	2.000%	10,311.52	31,663.52
3/01/2001	21,459.00	2.000%	10,204.76	31,663.76
6/01/2001	21,566.00	2.000%	10,097.47	31,663.47
9/01/2001	21,674.00	2.000%	9,989.64	31,663.64
12/01/2001	21,783.00	2.000%	9,881.27	31,664.27
3/01/2002	21,891.00	2.000%	9,772.35	31,663.35
6/01/2002	22,001.00	2.000%	9,662.90	31,663.90
9/01/2002	22,111.00	2.000%	9,552.89	31,663.89
12/01/2002	22,221.00	2.000%	9,442.34	31,663.34
3/01/2003	22,333.00	2.000%	9,331.23	31,664.23
6/01/2003	22,444.00	2.000%	9,219.57	31,663.57
9/01/2003	22,556.00	2.000%	9,107.35	31,663.35
12/01/2003	22,669.00	2.000%	8,994.57	31,663.57
3/01/2004	22,783.00	2.000%	8,881.22	31,664.22
6/01/2004	22,897.00	2.000%	8,767.31	31,664.31
9/01/2004	23,011.00	2.000%	8,652.82	31,663.82
12/01/2004	23,126.00	2.000%	8,537.77	31,663.77
3/01/2005	23,242.00	2.000%	8,422.14	31,664.14
6/01/2005	23,358.00	2.000%	8,305.93	31,663.93
9/01/2005	23,475.00	2.000%	8,189.14	31,664.14
12/01/2005	23,592.00	2.000%	8,071.76	31,663.76
3/01/2006	23,710.00	2.000%	7,953.80	31,663.80
6/01/2006	23,829.00	2.000%	7,835.25	31,664.25
9/01/2006	23,948.00	2.000%	7,716.11	31,664.11
12/01/2006	24,067.00	2.000%	7,596.37	31,663.37
3/01/2007	24,188.00	2.000%	7,476.03	31,664.03
6/01/2007	24,309.00	2.000%	7,355.09	31,664.09
9/01/2007	24,430.00	2.000%	7,233.55	31,663.55
12/01/2007	24,552.00	2.000%	7,111.40	31,663.40
3/01/2008	24,675.00	2.000%	6,988.64	31,663.64
6/01/2008	24,799.00	2.000%	6,865.26	31,664.26
9/01/2008	24,923.00	2.000%	6,741.27	31,664.27
12/01/2008	25,047.00	2.000%	6,616.65	31,663.65
3/01/2009	25,172.00	2.000%	6,491.42	31,663.42
6/01/2009	25,298.00	2.000%	6,365.56	31,663.56
9/01/2009	25,425.00	2.000%	6,239.07	31,664.07
12/01/2009	25,552.00	2.000%	6,111.94	31,663.94
3/01/2010	25,680.00	2.000%	5,984.18	31,664.18
6/01/2010	25,808.00	2.000%	5,855.78	31,663.78
9/01/2010	25,937.00	2.000%	5,726.74	31,663.74
12/01/2010	26,067.00	2.000%	5,597.06	31,664.06
3/01/2011	26,197.00	2.000%	5,466.72	31,663.72

City of Huntington, West Virginia

$2,083,550 CWSRF Loan

20 Years, 2% Interest Rate, 1% Administrative Fee

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2011	26,328.00	2.000%	5,335.74	31,663.74
9/01/2011	26,460.00	2.000%	5,204.10	31,664.10
12/01/2011	26,592.00	2.000%	5,071.80	31,663.80
3/01/2012	26,725.00	2.000%	4,938.84	31,663.84
6/01/2012	26,859.00	2.000%	4,805.21	31,664.21
9/01/2012	26,993.00	2.000%	4,670.92	31,663.92
12/01/2012	27,128.00	2.000%	4,535.95	31,663.95
3/01/2013	27,263.00	2.000%	4,400.31	31,663.31
6/01/2013	27,400.00	2.000%	4,264.00	31,664.00
9/01/2013	27,537.00	2.000%	4,127.00	31,664.00
12/01/2013	27,674.00	2.000%	3,989.31	31,663.31
3/01/2014	27,813.00	2.000%	3,850.94	31,663.94
6/01/2014	27,952.00	2.000%	3,711.88	31,663.88
9/01/2014	28,092.00	2.000%	3,572.12	31,664.12
12/01/2014	28,232.00	2.000%	3,431.66	31,663.66
3/01/2015	28,373.00	2.000%	3,290.50	31,663.50
6/01/2015	28,515.00	2.000%	3,148.63	31,663.63
9/01/2015	28,658.00	2.000%	3,006.06	31,664.06
12/01/2015	28,801.00	2.000%	2,862.77	31,663.77
3/01/2016	28,945.00	2.000%	2,718.76	31,663.76
6/01/2016	29,090.00	2.000%	2,574.04	31,664.04
9/01/2016	29,235.00	2.000%	2,428.59	31,663.59
12/01/2016	29,381.00	2.000%	2,282.41	31,663.41
3/01/2017	29,528.00	2.000%	2,135.51	31,663.51
6/01/2017	29,676.00	2.000%	1,987.87	31,663.87
9/01/2017	29,824.00	2.000%	1,839.49	31,663.49
12/01/2017	29,973.00	2.000%	1,690.37	31,663.37
3/01/2018	30,123.00	2.000%	1,540.50	31,663.50
6/01/2018	30,274.00	2.000%	1,389.89	31,663.89
9/01/2018	30,425.00	2.000%	1,238.52	31,663.52
12/01/2018	30,577.00	2.000%	1,086.39	31,663.39
3/01/2019	30,730.00	2.000%	933.51	31,663.51
6/01/2019	30,884.00	2.000%	779.86	31,663.86
9/01/2019	31,038.00	2.000%	625.44	31,663.44
12/01/2019	31,194.00	2.000%	470.25	31,664.25
3/01/2020	31,350.00	2.000%	314.28	31,664.28
6/01/2020	31,505.00	2.000%	157.53	31,662.53
Total	2,083,550.00	-	449,552.54	2,533,102.54 *

*Plus $2,809.71 one-percent administrative fee paid quarterly. Total administrative fee paid over the life of the loan is $224,776.80.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

_____

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

THE CITY OF HUNTINGTON

SEWER REVENUE BONDS, SERIES 2000
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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THE CITY OF HUNTINGTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF HUNTINGTON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of Huntington (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Cabell and Wayne Counties of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements for the existing public sewerage system of the Issuer, consisting of a supervisory control and data acquisition (SCADA) system for regulating wastewater flows at pumping stations, together with other miscellaneous additions and all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection and transportation of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), in one or more series, in the total aggregate principal amount of not more than $3,000,000 (the "Series 2000 Bonds"), initially to be represented by a single bond, for each series, to permanently finance a portion of costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest upon the Series 2000 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2000 Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2000 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2000 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 25 years.

F. It is in the best interests of the Issuer that its Series 2000 Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement or loan agreements, (the "Loan Agreement") by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on parity with the Series 2000 Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000, the Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895, and the Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550 (collectively, the "Prior Bonds").

The Series 2000 Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2000 Bonds, the Issuer will obtain (i) a certificate of an Independent Accountant stating that the parity tests of the Prior Bonds are met, and (ii) where required, the written consent of the holders of the Prior Bonds to the issuance of the Series 2000 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Prior Bonds and the Series 2000 Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2000 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal

of which will either have expired prior to the issuance of the Series 2000 Bonds or such final order will not be subject to appeal.

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 2000 Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefitting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 2000 Bonds are to be issued.

K. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Council to issue the Series 2000 Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2000 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2000 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2000 Bonds, or any

other agency, board or department of the State that succeeds to the functions of the Authority.

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

"Board" means the Sanitary Board of the Issuer.

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

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

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

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

"Bonds" means, collectively, the Series 2000 Bonds, the Prior Bonds, and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2000 Bonds for all or a portion of the proceeds of the Series 2000 Bonds from the Authority and the DEP.

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

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

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

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

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

"DEP" means the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment, or any other agency, board or department of the State that succeeds to the functions of the DEP.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

"Depreciation Fund" means the Depreciation Fund established by the Prior Ordinances and continued hereby.

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

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

"Governing Body" means the Council of the Issuer.

"Government Obligations" means direct and general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of ownership of proportionate interests in future interest and principal payments of such obligations; provided that, investments in such proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States

obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts, and includes any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments).

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

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

"Investment Property" means:

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means The City of Huntington, a municipal corporation and political subdivision of the State of West Virginia, in Cabell and Wayne Counties, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into among the Authority, the DEP and the Issuer, providing for the purchase of the Series 2000 Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

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

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2000 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2000 Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2000 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

"Operating Expenses" unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, the SRF Administrative Fee, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" means, collectively, the Issuer's Series 1993 Bonds, the Series 1997 Bonds and the Series 1999 Bonds.

"Prior Ordinances" means, collectively, the ordinance of the Issuer enacted on October 12, 1993, as supplemented by the supplemental resolution of the Issuer adopted November 3, 1993, authorizing the Series 1993 Bonds, the ordinance of the Issuer enacted on December 11, 1995, as supplemented by the supplemental resolution of the Issuer adopted November 10, 1997, authorizing the Series 1997 Bonds and the ordinance of the Issuer enacted on June 14, 1999, as supplemented by the supplemental resolution of the Issuer adopted June 14, 1999.

"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.

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

"Qualified Investments" means and includes the following:

1. (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate

interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government sponsored agencies which are not backed by the full faith and credit of the United States of America:

-Federal Home Loan Mortgage Corporation (FHLMC)
Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
Senior Debt obligations
-Farm Credit Banks (formerly, Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
Consolidated system-wide bonds and notes
-Federal Home Loan Banks (FHL Banks)
Consolidated debt obligations
-Federal National Mortgage Association (FNMA)
Senior debt obligations
Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
-Student Loan Marketing Association (SLMA)
Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
-Financing Corporation (FICO)
Debt obligations
-Resolution Funding Corporation (REFCORP)
Debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated `A-1' or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million.

6. Commercial paper (having original maturities of not more than 270 days) rated `A-1+' by S&P and `Prime-1' by Moody's.

7. Money market funds rated `AAm' or `AAm-G' by S&P, or better.

8. "State Obligations," which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated `A3' by Moody's and `A' by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated `A-1+' by S&P and `Prime-1' by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated `AA' or better by S&P and ` A. ' or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investors Service meeting the following requirements:

A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

B. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all

principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

F. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements:

A. With any domestic bank the long term debt of which is rated 'AA' or better by S&P (so long as an opinion is rendered that the repurchase agreement is a "repurchase agreement" and a "qualified financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA), or any foreign bank the long term debt of which is rated at least 'AA' by S&P and 'AAA' by S&P and at least ' A. ' by Moody's; provided the term of such repurchase agreement is for one year or less.

B. With (1) any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least ' A. ' by S&P and ' A. ' by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or (2) any other entity approved by Financial Security, provided that:

a. The market value of the collateral is maintained (i) for United States Treasury Securities at the levels shown below under "Collateral Levels for United States Treasury Obligations" and (ii) for other collateral, at levels acceptable to Financial Security;

b. Failure to maintain the requisite collateral percentage will require the Issuer to liquidate the collateral.

c. The Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

d. The repurchase agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

e. The transferor represents that the collateral is free and clear of any third-party liens or claims;

f. An opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a bank, that such bank is subject to FIRREA and the repurchase agreement is a "qualified financial contract" as defined in FIRREA;

g. There is or will be a written agreement governing every repurchase transaction;

h. The Issuer represents that it has no knowledge of any fraud involved in the repurchase transaction; and

i. The Issuer receives the opinion of counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such repurchase agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms.

11. Investment agreements with (A) a domestic bank the long-term debt of which is rated at least 'AA' by S&P and ' A. ' by Moody's (so long as an opinion is rendered that the bank is subject to FIRREA); or (B) a foreign bank the long-term debt of which is rated 'AAA' by S&P and at least " A. ' by Moody's, or at least ' A. ' by S&P and 'Aaa' by Moody's; provided, that, by the terms of the investment agreement:

(1) interest payments are to be made at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided that the Ordinance specifically requires the Issuer to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(4) a fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under the Ordinance;

(5) the term of the investment agreement does not exceed seven years or such longer term as shall be approved by the Bond Insurer;

(6) the Issuer receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable;

(7) the investment agreement shall provide that if during its term

(a) the provider's rating by either S&P or Moody's falls below ' A. ' or ' A. ,' respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the Issuer (who shall give such direction if so

directed by the Bond Insurer), within 10 days of receipt of such direction, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") United States Treasury Obligations which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(b) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below 'A,' or, with respect to a foreign bank, below "AA" or " A. " by S&P or Moody's, as appropriate, the provider must, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer; and

(8) The investment agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(9) the investment agreement must provide that if during its term

(a) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate, and

(b) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"); the provider's obligations shall automatically be accelerated and amounts invested and

accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate.

(10) Any State-administered pool investment fund in which the Issuer is statutorily permitted or required to invest.

(11) Subject to the prior written approval of the Bond Insurer, such other obligations as shall be permitted to be legal investments of the Issuer by the laws of the State.

COLLATERAL LEVELS FOR UNITED STATES TREASURY OBLIGATIONS

	Remaining maturity				
	1 year or less	5 years or less	10 years or less	15 years or less	30 years or less
Frequency of valuation					
Daily	102	105	106	108	114
Weekly	103	111	112	114	120
Monthly	105	117	120	125	133
Quarterly	107	120	130	133	140

VALUATION REQUIREMENTS:

(1) On each valuation date the Issuer, the Paying Agent, or the custodian who shall confirm to the Issuer and the Paying Agent, shall, at the cost of the provider, value the market value (exclusive of accrued interest) of the collateral, which market value will be an amount equal to the requisite collateral percentage times the principal amount of the investment and unpaid accrued interest thereon that is being secured;

(2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly and monthly valuations, and one month for quarterly valuations. [The use of different restoration periods affect the requisite collateral percentage.];

(3) The Issuer shall terminate the repurchase agreement or investment agreement, as appropriate, upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the collateral, liquidate the collateral.

(f) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account.

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

"Registrar" means the Bond Registrar.

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2000 Bonds.

"Reserve Account Requirement" means, collectively, the respective amounts required to be on deposit in any reserve account for the Bonds.

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

"Series 1993 Bonds" means the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000.

"Series 1997 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895.

"Series 1999 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550.

"Series 2000 Bonds" means the Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), of the Issuer, authorized to be issued in one or more series by this Bond Legislation.

"Series 2000 Bonds Reserve Account" means the Series 2000 Bonds Reserve Account established in the Series 2000 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2000 Bonds Reserve Account Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2000 Bonds in the then current or any succeeding year.

"Series 2000 Bonds Sinking Fund" means the Series 2000 Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking fund established for the Prior Bonds and the Series 2000 Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2000 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2000 Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means, collectively, the complete existing municipal sewage treatment and collection system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of $3,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2000 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received or will receive bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the SRF Program. The cost of the Project is estimated not to exceed $3,000,000, all of which will be obtained from proceeds of the Series 2000 Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2000 Bonds, funding a reserve account for the Series 2000 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2000 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 negotiable Series 2000 Bonds of the Issuer. The Series 2000 Bonds may be issued in one or more series, each series to be issued as a single bond, designated "Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program)", with appropriate alphabetical designation, in the principal amount of not more than $3,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2000 Bonds remaining after funding of the Series 2000 Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2000 Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2000 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2000 Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2000 Bonds shall initially be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2000 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2000 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of

said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2000 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2000 Bonds shall cease to be such officer of the Issuer before the Series 2000 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2000 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2000 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2000 Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2000 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2000 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2000 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2000 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2000 Bonds or transferring the registered Series 2000 Bonds are exercised, all Series 2000 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2000 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2000 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2000 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2000 Bonds or, in the case of any proposed redemption of Series 2000 Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2000 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2000 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely

from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2000 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2000 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2000 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 2000 Bonds and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2000 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2000 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2000 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2000 Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2000 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2000 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON
SEWER REVENUE BOND,
SERIES 2000
(WEST VIRGINIA SRF PROGRAM)

No. R-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell and Wayne Counties of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Division of Environmental Protection (the "DEP), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated _____, 200__.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance of the Bonds and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 200___, and a Supplemental Resolution duly adopted by the Issuer on _____, 200___ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 1, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,100,000 (THE "SERIES 1993 BONDS"), SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"), AND SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550 (THE "SERIES 1999 BONDS"). THE SERIES 1993 BONDS, THE SERIES 1997 BONDS AND THE SERIES 1999 BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the

"Series 2000 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2000 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Series 1993 Bonds are outstanding, and thereafter, 115% of such amount; provided however, that, if the Series 1993 Bonds are no longer outstanding and so long as there exists in the Series 2000 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 200___.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 200___.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

_____

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2000 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

(3) Bond Construction Trust Fund.

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

(1) Series 1993 Bonds Sinking Fund (established by the Prior Ordinances);

(2) Within the Series 1993 Bonds Sinking Fund, the Series 1993 Bonds Reserve Account (established by the Prior Ordinances);

(3) Within the Series 1993 Bonds Sinking Fund, the Series 1993 Bonds Redemption Account (established by the Prior Ordinances);

(4) Series 1997 Bonds Sinking Fund (established by the Prior Ordinances);

(5) Within the Series 1997 Bonds Sinking Fund, the Series 1997 Bonds Reserve Account (established by the Prior Ordinances);

(6) Series 1999 Bonds Sinking Fund (established by the Prior Ordinance);

(7) Within the Series 1999 Bonds Sinking Fund, the Series 1999 Bonds Reserve Account (established by the Prior Ordinance);

(8) Series 2000 Bonds Sinking Fund; and

(9) Within the Series 2000 Bonds Sinking Fund, the Series 2000 Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Prior Ordinances and in this Bond Legislation. All moneys in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1993 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the interest on the Series 1993 Bonds; (ii) for deposit in the Series 1997 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the interest on the Series 1997 Bonds; (iii) for deposit in the Series 1999 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the interest on the Series 1999 Bonds; and (iv) commencing 3 months prior to the first date of payment of interest on the Series 2000 Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2000 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2000 Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 Bonds Sinking Fund and the next quarterly interest payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1993 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the principal of the Series 1993 Bonds; (ii) for deposit in the Series 1997 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the principal on the Series 1997 Bonds; (iii) for deposit in the Series 1999 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the principal of the Series 1999 Bonds; and (iv) commencing 3 months prior to the first date of payment of principal of the Series 2000 Bonds, for deposit in the Series 2000 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2000 Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1993 Bonds Reserve Account, the amount required by the Prior Ordinances; (ii) for deposit in the Series 1997 Bonds Reserve Account, the amount required by the Prior Ordinances; (iii) for deposit in the Series 1999 Bonds Reserve Account, the amount required by the Prior Ordinances; and (iv) commencing 3 months prior to the first date of payment of principal of the Series 2000 Bonds, if not fully funded upon issuance of the Series 2000 Bonds, for deposit in the Series 2000 Bonds Reserve Account, an amount equal to 1/120th of the Series 2000 Bonds Reserve Account Requirement; provided that, no further payments shall be made into the Series 2000 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 2000 Bonds Reserve Account Requirement.

(5) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, as previously set forth in the Prior Ordinances and not in addition thereto, transfer from the Revenue Fund to the Depreciation Fund, an amount equal to not less than 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of the Reserve Accounts.

Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in the Reserve Accounts (so that the amount on deposit therein is at least equal to the Reserve Account Requirement), or to reimburse in whole or in part any issuer of a reserve account letter of credit in the event of a draw thereon;

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Funds (excluding the Reserve Accounts);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board and the Issuer, moneys in the Depreciation Fund in excess of $1,000,000 may be used for optional redemption or for purchase of Bonds. In the event of purchase of Bonds, the Issuer may direct the purchase of Bonds offered for sale at the lowest price below the redemption price of such Bonds.

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

(7) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuring payment dates.

Moneys in the Series 2000 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2000 Bonds as the same shall

become due. Moneys in the Series 2000 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2000 Bonds as the same shall come due, when other moneys in the Series 2000 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2000 Bonds Sinking Fund and the Series 2000 Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Bond Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2000 Bonds and then to the next ensuing principal payment due thereon.

The Issuer shall restore any withdrawals from the Reserve Accounts which have the effect of reducing the assets therein below the Reserve Account Requirement, first, from the Depreciation Fund, and then from the first Net Revenues available after all other required payments to the Sinking Funds, including any deficiencies for prior payments have been made in full; provided, that the Issuer shall not be required to restore such deficiency when the aggregate amount of funds in the Sinking Funds, including the Reserve Accounts therein, are at least equal to the aggregate amount of Bonds issued pursuant to the Prior Ordinances and this Bond Legislation then Outstanding, plus the amount of interest due or thereafter to become due on said Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2000 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional Bonds.

The Issuer shall not be required to make any further payments into the Series 2000 Bonds Sinking Fund or the Series 2000 Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2000 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and Series 2000 Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2000 Bonds Sinking Fund and the Series 2000 Bonds Reserve Account created

hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2000 Bonds Sinking Fund and the Series 2000 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2000 Bonds Sinking Fund and the Series 2000 Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2000 Bonds under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2000 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Loan Agreement.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement as Exhibit F, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this Section, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

E. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified

Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 2000 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2000 Bonds, there shall first be deposited with the Commission in the Series 2000 Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2000 Bonds for the period commencing on the date of issuance of the Series 2000 Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2000 Bonds, there shall be deposited with the Commission in the Series 2000 Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2000 Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2000 Bonds, such moneys shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2000 Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2000 Bonds shall be used to fund the Series 2000 Bonds Reserve Account, if not funded upon issuance of the Series 2000 Bonds; in an amount not to exceed the Series 2000 Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 2000 Bonds be deposited in the Series 2000 Bonds Reserve Account.

Section 6.02. Disbursements From the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2000 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," in compliance with the construction schedule, a form of which is attached to the Loan Agreement as Exhibit C, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2000 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2000 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2000 Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2000 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2000 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2000 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2000 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2000 Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges , with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services of the facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer enacted October 26, 1998, which rates are incorporated herein by reference as a part hereof.

So long as the Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions

necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, loan, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances and with the written consent of the Authority and the DEP.

So long as the Series 2000 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2000 Bonds, immediately be remitted to the Commission for deposit in the Series 2000 Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2000 Bonds. Any balance remaining after the payment of the Series 2000 Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other

disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund shall not reduce the amounts required to be paid into said fund by other provisions of the Prior Ordinances and this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Series 2000 Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Series 2000 Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2000 Bonds. All obligations issued by the Issuer after the issuance of the Series 2000 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2000 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2000 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2000 Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior

Ordinances shall be applicable. In addition, no additional parity Bonds, as in this section defined, payable out of the revenues of the System, shall be issued after the issuance of the Series 2000 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the acquisition and construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived, from the System during the Fiscal Year preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall, so long as any of the Series 1993 Bonds are outstanding, not be less than 120% of the Maximum Annual Debt Service, and thereafter, shall not be less than 115% of the Maximum Annual Debt Service, on the following:

(1) The Prior Bonds and the Series 2000 Bonds then Outstanding;

(2) Any additional parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances and this Bond Legislation then Outstanding; and

(3) The additional parity Bonds then proposed to be issued.

The "increased annual Net Revenues expected to be received" as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such additional parity Bonds, and the increased Net Revenues to be available as a result of existing additional customers required by law to be served by the System upon completion of the facilities to be financed with the proceeds of any such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the City Clerk of the Issuer prior to the issuance of such additional parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The term "additional parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Prior Bonds and the Series 2000 Bonds, and all the covenants and other provisions of the Prior Ordinances and this Bond Legislation (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Prior Bonds and the Series 2000 Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in the Prior Ordinances and this Bond Legislation required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Prior Ordinances and this Bond Legislation.

No additional parity Bonds shall be valid unless authenticated in accordance with the Prior Ordinances and this Bond Legislation. Prior to such authentication, registration, if applicable, and delivery, the Registrar shall receive those documents prescribed by the Prior Ordinances and this Bond Legislation, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity Bonds.

The term "additional parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the revenues of the System of which is subject to the prior and superior lien of the Bonds on such revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Net Revenues remaining after all payments required to be made in accordance with the Prior Ordinances and this Bond Legislation have first been paid. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues, with the Prior Bonds and the Series 2000 Bonds except in the manner and under the conditions provided in this section.

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Prior Ordinances and this Bond Legislation on account of the Prior Bonds and the Series 2000 Bonds then Outstanding (excluding the Depreciation Fund), and any other payments provided for in the Prior Ordinances and this Bond Legislation, shall have been made in full as required to the date of delivery of the additional parity Bonds.

The Issuer may issue additional parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds or portion

thereof, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP 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 the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2000 Bonds, and shall mail in each year to any Holder or Holders of the Series 2000 Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Accountants in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Accountants, or a summary thereof, to any Holder or Holders of the Series 2000 Bonds and shall submit the report to the Authority and the DEP, or any other original purchaser of the Series 2000 Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

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

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

Section 7.09. Rates. Prior to the issuance of the Series 2000 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than the sum of (i) 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, so long as the Series 1993 Bonds are Outstanding, and thereafter 115% of such amount; provided that, in the event the Series 1993 Bonds are no longer outstanding and an amount equal to or in excess of the Series 2000 Bonds Reserve Account Requirement is on deposit in the Series 2000 Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Series 2000 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Issuer that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding

and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement as Exhibit B, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement as

Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

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

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the water system, if so owned by the Issuer to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law or, if the waterworks facilities are not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar 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 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2000 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the prime contractor and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the Board from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer and the Board from claims arising out of

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code Section 38-2-39.

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

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

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

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

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

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

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

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the

West Virginia Public Service Commission and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and has obtained all approvals for the issuance of the Series 2000 Bonds required by State law, with all appeal periods having expired without successful appeal.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the DEP or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2000 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2000 Bonds during the term thereof is, under the terms of the Series 2000 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2000 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 2000 Bonds during the term thereof is, under the terms of the Series 2000 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 2000 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2000 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2000 Bonds are

used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2000 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2000 Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2000 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, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

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

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2000 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2000 Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2000 Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding provided by the DEP and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

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

The following specific provisions shall apply with respect to any investments made under this section:

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

(B) The Issuer shall, or shall cause the Commission to semiannually transfer from the Reserve Accounts to the Sinking Funds any earnings on the moneys deposited therein and any other funds in excess of the Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in the Reserve Accounts an amount at least equal to the Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Reserve Accounts, whereupon it shall be valued immediately after such withdrawal. If amounts

on deposit in the Reserve Accounts shall, at any time, be less than the applicable Reserve Account Requirement, the applicable Bond Insurer or Bondholder shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Net Revenues after required deposits to the Sinking Funds and otherwise in accordance with the Prior Ordinances and this Bond Legislation.

(D) All amounts representing accrued and capitalized interest shall be held by the Commission, pledged solely to the payment of interest on the Bonds 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 moneys deposited in the Sinking Funds may be invested by the 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.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2000 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 2000 Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2000 Bonds which would cause the Series 2000 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2000 Bonds) so that the interest on the Series 2000 Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 2000 Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 2000 Bonds are to be used for local governmental activities of the Issuer (or of a

governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 2000 Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect an applicable to the Series 2000 Bonds. For purposes of the first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 2000 Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 2000 Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay from any lawful sources available therefor, to the United States such amount, plus a penalty equal to 50% of the rebate amount not paid, plus interest on that amount, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the

small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2000 Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2000 Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2000 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2000 Bonds; or

(2) If default occurs in the Issuer's or the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 2000 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2000 Bonds, and such default shall have continued for a period of 30 days after the Issuer or Issuer, as appropriate 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 Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2000 Bonds shall be on a parity with the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the

System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2000 Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2000 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2000 Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2000 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2000 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2000 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2000 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2000 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2000 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2000 Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2000 Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Ordinances. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall

control (unless less restrictive), so long as the Prior Bonds or any portion thereof are Outstanding.

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

Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

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

SPONSORED BY: Councilman Calvin Kent

APPROVED AS TO FORM BY: Theodore E. Morgan, Esquire

FIRST READING: Order advertised on September 11, 2000

SECOND READING: Adopted (10 yeas; 0 nays; 1 absent - Maass) - September 25, 2000

THIRD READING FOLLOWING PUBLIC HEARING: Adopted (9 yeas; 0 nays; 2 absent - Kent, Neeley) - October 10, 2000

DATE: October 10, 2000

ANN C. SHAYE, CITY CLERK

DATE: October 11, 2000

JEAN DEAN, MAYOR

APPROVE

DATE: October 12, 2000

VETO

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF HUNTINGTON on the 10th day of October, 2000.

Dated: October 24, 2000.

[SEAL]

City Clerk

EXHIBIT A

Loan Agreement included in bond transcript as Document No. 3

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF HUNTINGTON; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the city council (the "Governing Body") of The City of Huntington (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective October 10, 2000 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS;

APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, in one or more series, with appropriate alphabetical designation, in an aggregate principal amount not to exceed $3,000,000, and has authorized the execution and delivery of a Loan Agreement or Loan Agreements relating to such bonds, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the forms of the Loan Agreements and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of each series of bonds should be established by a supplemental resolution pertaining to such series of bonds; and that other matters relating to the bonds be herein provided for;

WHEREAS, the Loan Agreement relating to the Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program) (the "Loan Agreement"), in the principal amount of $1,867,098 (hereinafter referred to as the "Bonds"), has been presented to the Issuer at this meeting;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement relating thereto; and

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

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,867,098. The Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2021, and shall bear interest at the rate of 2% per annum. The principal of and the interest on the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002, and ending December 1, 2021, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

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

Section 3. The Issuer does hereby approve and shall pay the administrative fee equal to 1% of the principal amount of the Bonds set forth in the "Schedule Y" attached to the Loan Agreement.

Section 4. The Issuer does hereby ratify, approve and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 5. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

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

Section 7. The Issuer does hereby appoint and designate Bank One, West Virginia, National Association, Huntington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 2000 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2000 A Bonds Sinking Fund, as capitalized interest.

Section 9. Series 2000 A Bonds proceeds in the amount of $113,500 shall be deposited in the Series 2000 A Bonds Reserve Account.

Section 10. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 2000 A Bonds Construction Trust Fund as received from time to time for payment of the costs of the Project, including costs of issuance of the Bonds and related costs.

Section 11. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about October 24, 2000, to the Authority pursuant to the Loan Agreement.

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

Section 13. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 14. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Moneys in the Series 2000 A Bonds Sinking Fund, including the Series 2000 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a

manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 16. The Issuer reserves the right to issue from time to time, one or more additional series of bonds under the Bond Ordinance pursuant to one or more additional supplemental resolutions, the total aggregate principal amount of such bonds not to exceed $3,000,000.

Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 10th day of October, 2000.

Jean Dean

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Huntington on October 10, 2000.

Dated: October 24, 2000.

[SEAL]

City Clerk

10/10/00
435500/00001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON
SEWER REVENUE BOND,
SERIES 2000 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $1,867,098

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell and Wayne Counties of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of ONE MILLION EIGHT HUNDRED SIXTY SEVEN THOUSAND NINETY EIGHT DOLLARS ($1,867,098), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Division of Environmental Protection (the "DEP), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated October 6, 2000.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance of the Bonds and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on October 10, 2000, and a Supplemental Resolution duly adopted by the Issuer on October 10, 2000 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 1, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,100,000 (THE "SERIES 1993 BONDS"), SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"), AND SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550 (THE "SERIES 1999 BONDS"). THE SERIES 1993 BONDS, THE SERIES 1997 BONDS AND THE SERIES 1999 BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from

the Net Revenues, the moneys in the Series 2000 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Series 1993 Bonds are outstanding, and thereafter, 115% of such amount; provided however, that, if the Series 1993 Bonds are no longer outstanding and so long as there exists in the Series 2000 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System

has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated October 24, 2000.

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: October 24, 2000.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$201,455	10/24/00	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $

EXHIBIT B

City of Huntington (West Virginia)

Loan of $1,867,098

20 Years, 2% Interest Rate, 1% Administrative Fee

Closing Date: October 24, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
12/01/2000	-	-	-	-
3/01/2001	-	-	-	-
6/01/2001	-	-	-	-
9/01/2001	-	-	-	-
12/01/2001	-	-	-	-
3/01/2002	19,039.00	2.000%	9,335.49	28,374.49
6/01/2002	19,134.00	2.000%	9,240.30	28,374.30
9/01/2002	19,230.00	2.000%	9,144.63	28,374.63
12/01/2002	19,326.00	2.000%	9,048.48	28,374.48
3/01/2003	19,422.00	2.000%	8,951.85	28,373.85
6/01/2003	19,520.00	2.000%	8,854.74	28,374.74
9/01/2003	19,617.00	2.000%	8,757.14	28,374.14
12/01/2003	19,715.00	2.000%	8,659.05	28,374.05
3/01/2004	19,814.00	2.000%	8,560.48	28,374.48
6/01/2004	19,913.00	2.000%	8,461.41	28,374.41
9/01/2004	20,013.00	2.000%	8,361.84	28,374.84
12/01/2004	20,113.00	2.000%	8,261.78	28,374.78
3/01/2005	20,213.00	2.000%	8,161.21	28,374.21
6/01/2005	20,314.00	2.000%	8,060.15	28,374.15
9/01/2005	20,416.00	2.000%	7,958.58	28,374.58
12/01/2005	20,518.00	2.000%	7,856.50	28,374.50
3/01/2006	20,620.00	2.000%	7,753.91	28,373.91
6/01/2006	20,724.00	2.000%	7,650.81	28,374.81
9/01/2006	20,827.00	2.000%	7,547.19	28,374.19
12/01/2006	20,931.00	2.000%	7,443.06	28,374.06
3/01/2007	21,036.00	2.000%	7,338.40	28,374.40
6/01/2007	21,141.00	2.000%	7,233.22	28,374.22
9/01/2007	21,247.00	2.000%	7,127.51	28,374.51
12/01/2007	21,353.00	2.000%	7,021.28	28,374.28
3/01/2008	21,460.00	2.000%	6,914.51	28,374.51
6/01/2008	21,567.00	2.000%	6,807.21	28,374.21
9/01/2008	21,675.00	2.000%	6,699.38	28,374.38
12/01/2008	21,783.00	2.000%	6,591.00	28,374.00
3/01/2009	21,892.00	2.000%	6,482.09	28,374.09
6/01/2009	22,002.00	2.000%	6,372.63	28,374.63
9/01/2009	22,112.00	2.000%	6,262.62	28,374.62
12/01/2009	22,222.00	2.000%	6,152.06	28,374.06
3/01/2010	22,333.00	2.000%	6,040.95	28,373.95
6/01/2010	22,445.00	2.000%	5,929.28	28,374.28
9/01/2010	22,557.00	2.000%	5,817.06	28,374.06
12/01/2010	22,670.00	2.000%	5,704.27	28,374.27
3/01/2011	22,783.00	2.000%	5,590.92	28,373.92
6/01/2011	22,897.00	2.000%	5,477.01	28,374.01
9/01/2011	23,012.00	2.000%	5,362.52	28,374.52
12/01/2011	23,127.00	2.000%	5,247.46	28,374.46
3/01/2012	23,243.00	2.000%	5,131.83	28,374.83

City of Huntington (West Virginia)

Loan of $1,867,098

20 Years, 2% Interest Rate, 1% Administrative Fee

Closing Date: October 24, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2012	23,359.00	2.000%	5,015.61	28,374.61
9/01/2012	23,478.00	2.000%	4,896.82	28,374.82
12/01/2012	23,593.00	2.000%	4,781.44	28,374.44
3/01/2013	23,711.00	2.000%	4,663.47	28,374.47
6/01/2013	23,829.00	2.000%	4,544.92	28,373.92
9/01/2013	23,948.00	2.000%	4,425.77	28,374.77
12/01/2013	24,068.00	2.000%	4,306.03	28,374.03
3/01/2014	24,189.00	2.000%	4,185.69	28,374.69
6/01/2014	24,310.00	2.000%	4,064.74	28,374.74
9/01/2014	24,431.00	2.000%	3,943.19	28,374.19
12/01/2014	24,553.00	2.000%	3,821.04	28,374.04
3/01/2015	24,676.00	2.000%	3,698.27	28,374.27
6/01/2015	24,799.00	2.000%	3,574.89	28,373.89
9/01/2015	24,923.00	2.000%	3,450.90	28,373.90
12/01/2015	25,048.00	2.000%	3,326.28	28,374.28
3/01/2016	25,173.00	2.000%	3,201.04	28,374.04
6/01/2016	25,298.00	2.000%	3,075.18	28,374.18
9/01/2016	25,426.00	2.000%	2,948.68	28,374.68
12/01/2016	25,553.00	2.000%	2,821.55	28,374.55
3/01/2017	25,681.00	2.000%	2,693.79	28,374.79
6/01/2017	25,809.00	2.000%	2,565.38	28,374.38
9/01/2017	25,938.00	2.000%	2,436.34	28,374.34
12/01/2017	26,068.00	2.000%	2,306.65	28,374.65
3/01/2018	26,198.00	2.000%	2,176.31	28,374.31
6/01/2018	26,329.00	2.000%	2,045.32	28,374.32
9/01/2018	26,461.00	2.000%	1,913.67	28,374.67
12/01/2018	26,593.00	2.000%	1,781.37	28,374.37
3/01/2019	26,726.00	2.000%	1,648.40	28,374.40
6/01/2019	26,860.00	2.000%	1,514.77	28,374.77
9/01/2019	26,994.00	2.000%	1,380.47	28,374.47
12/01/2019	27,129.00	2.000%	1,245.50	28,374.50
3/01/2020	27,264.00	2.000%	1,109.86	28,373.86
6/01/2020	27,401.00	2.000%	973.54	28,374.54
9/01/2020	27,538.00	2.000%	836.53	28,374.53
12/01/2020	27,675.00	2.000%	698.84	28,373.84
3/01/2021	27,814.00	2.000%	560.47	28,374.47
6/01/2021	27,953.00	2.000%	421.40	28,374.40
9/01/2021	28,093.00	2.000%	281.63	28,374.63
12/01/2021	28,233.00	2.000%	141.17	28,374.17
Total	1,867,098.00	-	402,850.72	2,269,948.72 *

*Plus $2,517.82 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $201,425.60.

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

_____

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

10/11/00
435500/00001

THE CITY OF HUNTINGTON
(WEST VIRGINIA)

SEWER REVENUE BONDS, SERIES 2006 A
SEWER REVENUE BONDS, SERIES 2006 B
SEWER REFUNDING REVENUE BONDS, SERIES 2006 C

BOND ORDINANCE

THE CITY OF HUNTINGTON
(WEST VIRGINIA)

SEWER REVENUE BONDS, SERIES 2006 A (TAX-EXEMPT)
AND
SEWER REVENUE BONDS, SERIES 2006 B (TAXABLE)
AND
SEWER REFUNDING REVENUE BONDS, SERIES 2006 C (TAX-EXEMPT)

BOND ORDINANCE

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THE CITY OF HUNTINGTON
(WEST VIRGINIA)

CONFORMED ORDINANCE

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS, SERIES 2006 A (TAX-EXEMPT) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $4,000,000, FOR THE PURPOSE OF PAYING THE OUTSTANDING PRINCIPAL BALANCE OF THE CITY'S SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2003 A (TAX-EXEMPT), AND PAYING COSTS OF ISSUANCE AND RELATED COSTS; AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS, SERIES 2006 B (TAXABLE) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $2,750,000, FOR THE PURPOSES OF PAYING THE OUTSTANDING PRINCIPAL BALANCE OF THE CITY'S SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2003 B (TAXABLE), FINANCING CERTAIN SINKING FUND AND DEBT SERVICE RESERVE ACCOUNT ARREARAGES FOR THE CITY'S PRIOR BONDS, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS; AUTHORIZING THE ISSUANCE OF SEWER REFUNDING REVENUE BONDS, SERIES 2006 C (TAX-EXEMPT) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $7,000,000, FOR THE PURPOSE OF REFUNDING THE CITY'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, The City of Huntington (the "Issuer") presently owns and operates a public sewerage system, which constitute properties for the collection, transportation, treatment, purification and disposal of liquid or solid wastes, sewage or industrial wastes (the "System") and has heretofore temporarily or permanently financed or refinanced the

acquisition and construction of the System and certain additions, extensions and improvements thereto by issuance of several series of bonds or refunding bonds, of which there are presently outstanding the (i) Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000 (the "Series 1993 Bonds"), (ii) Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895 (the "Series 1997 Bonds"), (iii) Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550 (the "Series 1999 Bonds"), (iv) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098 (the "Series 2000 A Bonds"), (v) Sewerage System Bond Anticipation Notes, Series 2003 A (Tax-Exempt), dated December 30, 2003, issued in the original aggregate principal amount of $2,640,000 (the "Series 2003 A Notes"), and Sewerage System Bond Anticipation Notes, Series 2003 B (Taxable), dated December 30, 2003, issued in the original aggregate principal amount of $555,000 (the "Series 2003 B Notes" and, together with the Series 2003 A Notes, herein collectively referred to as the "Series 2003 Notes");

WHEREAS, the Series 2003 B Notes temporarily financed certain sinking fund and debt service reserve account arrearages and the Issuer reimbursed itself for expenditures previously made by the Issuer with respect to the Harveytown and Lawson Heights grant projects;

WHEREAS, the Series 1993 Bonds were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on October 12, 1993, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on November 3, 1993 (such ordinance, as so supplemented and amended, herein called the "Series 1993 Ordinance"), the Series 1997 Bonds were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on December 11, 1995, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on November 10, 1997 (such ordinance, as so supplemented and amended, herein called the "Series 1997 Ordinance"), the Series 1999 Bonds were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on June 14, 1999, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on June 14, 1999 (such ordinance, as so supplemented and amended, herein called the "Series 1999 Ordinance"), the Series 2000 A Bonds were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on October 10, 2000, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on October 10, 2000 (such ordinance, as so supplemented and amended, herein called the "Series 2000 A Ordinance"), and the Series 2003 Notes were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on December 22, 2003, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on December 22, 2003 (the "Series 2003

Ordinance" and, together with the Series 1993 Ordinance, the Series 1997 Ordinance, the Series 1999 Ordinance and the Series 2000 A Ordinance, herein collectively referred to as the "Prior Ordinances");

WHEREAS, under the provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), the Issuer is authorized to issue refunding revenue bonds to refund, pay or discharge all or any part of its outstanding revenue bonds;

WHEREAS, the Issuer has determined and hereby determines that it is in the best interests of the residents of The City of Huntington and other users of the System to permanently finance the costs of acquisition and construction of certain additions, betterments and improvements to the System, to permanently finance the reimbursement expenditures with respect to the Harveytown and Lawson Heights grant projects, to permanently finance the sinking fund and debt service reserve account arrearages heretofore financed with the proceeds of the Series 2003 B Notes, and to permanently finance certain other sinking fund and debt service reserve account arrearages related to the Issuer's Prior Bonds (as hereinafter defined);

WHEREAS, the Issuer has determined and hereby determines that it may be in the best interest of the residents of The City of Huntington and other users of the System to currently refund the Series 1993 Bonds to achieve interest rate savings;

WHEREAS, the Issuer has determined and hereby determines that it would be to the benefit of the Issuer and its residents and other users of the System, to pay the outstanding principal balance of the Series 2003 A Notes in the manner set forth herein with proceeds of the issuance of a series of bonds to be designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2006 A (Tax-Exempt)" (the "Series 2006 A Bonds"), in the maximum aggregate principal amount of $4,000,000, such Series 2006 A Bonds to be secured by and payable from the Net Revenues (as hereinafter defined) of the System, on a parity with the Prior Bonds and the Series 2006 C Bonds;

WHEREAS, the Issuer has determined and hereby determines that it would be to the benefit of the Issuer and its residents and other users of the System, to pay the outstanding principal balance of the Series 2003 B Notes and to permanently finance certain sinking fund and debt service reserve account arrearages related to the Issuer's Prior Bonds in the manner set forth herein with proceeds of the issuance of a series of bonds to be designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2006 B (Taxable)" (the "Series 2006 B Bonds"), in the maximum aggregate principal amount of $2,750,000, such Series 2006 B Bonds to be secured by and payable from the Surcharge (as hereinafter defined) of the System;

WHEREAS, the Issuer has determined and hereby determines that it would be to the benefit of the Issuer and its residents and other users of the System, to refund the Series 1993 Bonds to achieve interest rate savings on their next redemption date, being May 1, 2007, in the manner set forth herein with proceeds of the issuance of a series of bonds to be designated "The City of Huntington (West Virginia) Sewer Refunding Revenue Bonds, Series 2006 C (Tax-Exempt)" (the "Series 2006 C Bonds" and together with the Series 2006 A Bonds and the Series 2006 B Bonds, collectively referred to herein as the "Series 2006 Bonds"), in the maximum aggregate principal amount of $7,000,000, such Series 2006 C Bonds to be secured by and payable from the Net Revenues (as hereinafter defined) of the System, on a parity with the Series 2006 A Bonds and the Prior Bonds; and

WHEREAS, the Issuer now desires to authorize the payment of the outstanding principal balance of the Series 2003 Notes and the refunding of the Series 1993 Bonds as aforesaid, and to provide for the financing thereof by the issuance of the Series 2006 Bonds as hereinafter provided.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF HUNTINGTON:

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

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

"Act" means Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 2006 Bonds.

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

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

"Board" or "Sanitary Board" means the Sanitary Board of the Issuer.

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

"Bond Counsel" shall mean any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer or the Sanitary Board, and shall initially mean Steptoe & Johnson 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 Bonds, and with respect to the Series 2006 C Bonds, shall mean the Bond Insurer, if any, designated in the Supplemental Resolution.

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

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

"Bonds" means, collectively, the Series 2006 A Bonds, the Series 2006 B Bonds, the Series 2006 C Bonds, the Series 2000 A Bonds, the Series 1999 Bonds, the

Series 1997 Bonds, the Series 1993 Bonds, if not refunded by the Issuer, and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2006 Bonds, respectively, in substantially the forms set forth in EXHIBIT A - FORM OF SERIES 2006 A BOND, EXHIBIT B - FORM OF SERIES 2006 B BOND, and EXHIBIT C - FORM OF SERIES 2006 C BOND, all attached hereto.

"City" or "Issuer" means the The City of Huntington, a municipal corporation and political subdivision of the State of West Virginia, in Cabell and Wayne Counties thereof, and, unless the context clearly indicates otherwise, includes the Governing Body and the Sanitary Board of the Issuer and any other commission, board or department established by the Issuer to operate and maintain the System.

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

"Closing Date" means the date upon which there is an exchange of the Series 2006 Bonds for the proceeds representing the original purchase price thereof.

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

"Consulting Engineers" means any qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms, means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of paying the principal balance of the Series 2003 Notes and refunding the Series 1993 Bonds, including payment of redemption premiums, if any, and accrued interest thereon; amounts which may be deposited in the respective Reserve Accounts; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to the refunding of the Series 1993 Bonds and the payment of the outstanding principal balance of the Series 2003 Notes, premiums for municipal bond insurance, if any, and reserve account insurance, letter of credit fees, fiscal agent fees and expenses, underwriter's discount, initial fees for the services of registrars, paying agents, depositories, trustees or escrow trustees, or other costs in connection with the sale of the Series 2006 Bonds, the refunding of the Series 1993 Bonds and the payment of the outstanding principal balance of the Series 2003 Notes, and such other expenses as may be necessary or incidental to the financing herein authorized, and the performance of the

things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2006 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

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

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

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

"Depreciation Fund" means the Depreciation Fund established by the Prior Ordinances and continued hereby.

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

"DTC-eligible" means, with respect to the Series 2006 Bonds, meeting the qualifications prescribed by DTC.

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

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

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

"Governing Body" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council, as it may now or hereafter be constituted.

"Government Obligations" means certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

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

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

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds for the then current or any succeeding Fiscal Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Mayor" means the current Mayor of the Issuer.

"Municipal Bond Insurance Policy" means any municipal bond insurance policy issued by a Bond Insurer simultaneously with the delivery of the Series 2006 C Bonds, insuring the payment of the principal of and interest on all or any of the Series 2006 C Bonds in accordance with the terms thereof or any other bond insurance policy which may be issued on behalf of the Issuer to insure payment of the principal of and interest on all or any subsequent series of Bonds.

"Net Proceeds" means the face amount of the Series 2006 A and Series 2006 C Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the respective Series 2006 Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from investment of proceeds of the Series 2006 A Bonds and the Series 2006 C Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means the balance of Gross Revenues remaining after deduction of Operating Expenses, as hereinafter defined, which Net Revenues secure the Prior Bonds, the Series 2006 A Bonds and the Series 2006 C Bonds.

"Operating Expenses," unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System),

supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

"Original Purchaser" means Ross, Sinclaire & Associates, Inc., Frankfort, Kentucky, as the purchaser of the Series 2006 Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Series 2006 Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 2006 Bonds directly from the Issuer, as determined by a resolution supplemental hereto; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Series 2006 Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the Council at the time of approval of such sale of said Series 2006 Bonds.

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

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

"Prepayment Agent" means the prepayment agent or agents under the 2003 Prepayment Agreement and 1993 Prepayment Agreement, which shall be appointed pursuant to a resolution supplemental hereto.

"2003 Prepayment Agreement" means the agreement which may be entered into between the Issuer and the Prepayment Agent, providing for the defeasance and ultimate payment of the Series 2003 Notes, the deposit therein of proceeds of the Series 2006 A Bonds and Series 2006 B Bonds, and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"1993 Prepayment Agreement" means the agreement which may be entered into between the Issuer and the Prepayment Agent, providing for the defeasance and ultimate payment of the Series 1993 Bonds, the deposit therein of proceeds of the Series 2006 C Bonds, the disposition of moneys in the various funds and accounts under the Series 1993 Ordinance and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"1993 Prepayment Fund" means the Prepayment Fund established pursuant to the 1993 Prepayment Agreement.

"2003 Prepayment Fund" means the Prepayment Fund established pursuant to the 2003 Prepayment Agreement.

"Prior Bonds" shall mean collectively, the Series 1997 Bonds, the Series 1999 Bonds and the Series 2000 A Bonds.

"Prior Ordinances" shall have the meaning set forth in the recitals hereto.

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

"Qualified Investments" means and includes the investments set forth in the Supplemental Resolution and designated as such.

"Rebate Fund" means the Rebate Fund established by Section 4.01 hereof.

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

"Redemption Account" means, collectively, the respective redemption accounts created for the Series 2006 Bonds by Section 4.02 hereof.

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

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

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the Series 2006 Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts created for the Series 2006 Bonds and the Prior Bonds.

"Reserve Account Requirement" means, collectively, the respective amount required to be on deposit in the respective Reserve Accounts for the Series 2006 Bonds and the Prior Bonds.

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

"Sanitary Board" means the Sanitary Board of the Issuer.

"Series 1993 Bonds" means the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000.

"Series 1993 Bonds Redemption Date" means the date fixed for redemption of the Series 1993 Bonds as set forth in the Ordinance authorizing the Series 1993 Bonds.

"Series 1993 Ordinance" means the Ordinance authorizing the issuance of the Series 1993 Bonds.

"Series 1997 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895.

"Series 1999 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550.

"Series 2000 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098.

"Series 2003 Notes" means, collectively, the Series 2003 A Notes and the Series 2003 B Notes.

"Series 2003 Notes Redemption Date" means December 1, 2006, the date fixed for redemption of the Series 2003 Notes.

"Series 2003 A Notes" means the Issuer's Sewerage System Bond Anticipation Notes, Series 2003 A (Tax-Exempt), dated December 30, 2003, issued in the original aggregate principal amount of $2,640,000.

"Series 2003 B Notes" means the Issuer's Sewerage System Bond Anticipation Notes, Series 2003 B (Taxable), dated December 30, 2003, issued in the original aggregate principal amount of $555,000.

"Series 2003 Ordinance" means the Ordinance that authorized the issuance of the Series 2003 A Notes and Series 2003 B Notes.

"Series 2006 Bonds" means, collectively, the Series 2006 A Bonds, the Series 2006 B Bonds and the Series 2006 C Bonds.

"Series 2006 A Bonds" means the Sewer Revenue Bonds, Series 2006 A (Tax-Exempt), of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2006 A Bonds Reserve Account" means the Series 2006 A Bonds Reserve Account established in the Series 2006 A Bonds Sinking Fund pursuant to Section 4.01 hereof.

"Series 2006 A Bonds Reserve Account Requirement" means, as of any date of calculation, Maximum Annual Debt Service for the Series 2006 A Bonds.

"Series 2006 A Bonds Sinking Fund" means the Series 2006 A Bonds Sinking Fund established by Section 4.02 hereof.

"Series 2006 B Bonds" means the Sewer Revenue Bonds, Series 2006 B (Taxable), of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2006 B Bonds Reserve Account" means the Series 2006 B Bonds Reserve Account established in the Series 2006 B Bonds Sinking Fund pursuant to Section 4.01 hereof.

"Series 2006 B Bonds Reserve Account Requirement" means, as of any date of calculation, Maximum Annual Debt Service for the Series 2006 B Bonds.

"Series 2006 B Bonds Sinking Fund" means the Series 2006 B Bonds Sinking Fund established by Section 4.02 hereof.

"Series 2006 C Bonds" means the Sewer Refunding Revenue Bonds, Series 2006 C (Tax-Exempt), of the Issuer, originally authorized to be issued, if and when issued, pursuant to this Ordinance and the Supplemental Resolution.

"Series 2006 C Bonds Reserve Account" means the Series 2006 C Bonds Reserve Account established in the Series 2006 C Bonds Sinking Fund pursuant to Section 4.01 hereof.

"Series 2006 C Bonds Reserve Account Requirement" means, as of any date of calculation, Maximum Annual Debt Service for the Series 2006 C Bonds.

"Series 2006 C Bonds Sinking Fund" means the Series 2006 C Bonds Sinking Fund established by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds created for the Series 2006 Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any ordinances or resolutions amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution(s) to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 2006 Bonds and authorizing the sale of the Series 2006 Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surcharge" means the surcharge approved by the Commission Order of the Public Service Commission of West Virginia in Case Nos. 03-1678-S-C and 04-0949-S-MA, dated December 14, 2004.

"Surplus Revenues" means the Net Revenues not required by the Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund.

"System" means, collectively, the complete existing public municipal sewerage treatment and collection system of the Issuer, and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the issuer.

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

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

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

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

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

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

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

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

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

B. The Issuer now owns and operates, through the Sanitary Board, the System, the acquisition and construction of which has been temporarily or permanently financed or refinanced in part by the proceeds of the Series 1993 Bonds, the Series 2003 Notes, the Prior Bonds and other bonds which have either been refunded and defeased by the Prior Bonds or otherwise, or are no longer Outstanding.

C. Upon issuance of the Series 2006 A Bonds, the Series 2003 A Notes will be defeased and the Series 2006 A Bonds will be secured by a first lien on the Net Revenues, on a parity with the Series 2006 C Bonds and the Prior Bonds.

Upon issuance of the Series 2006 B Bonds, the Series 2003 B Notes will be defeased and the Series 2006 B Bonds will be secured by a lien on the Surcharge.

Upon issuance of the Series 2006 C Bonds, the Series 1993 Bonds will be defeased and the Series 2006 C Bonds will be secured by a first lien on the Net Revenues, on a parity with the Series 2006 A Bonds and the Prior Bonds.

D. The Issuer intends to issue the Series 2006 A Bonds and Series 2006 C Bonds and to pledge for payment thereof, the Net Revenues of the System on a parity with the Prior Bonds.

E. The Issuer intends to simultaneously issue the Series 2006 B Bonds and to pledge for payment thereof, the Surcharge established for use of the System.

F. The Issuer derives revenues from the System which are pledged for payment of the Prior Bonds and Series 1993 Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner. Upon issuance of the Series 2006 A Bonds, the Series 2003 A Notes will be defeased and the Series 2006 A Bonds will be secured by a first lien on the Net Revenues, on a parity with the Prior Bonds and Series 1993 Bonds, if the Series 2006 C Bonds are not issued.

G. The estimated Surcharge to be derived in each year after the date hereof will be sufficient, upon refunding and defeasance of the Series 2003 B Notes, to pay the principal of and interest on the Series 2006 B Bonds and to make all other payments provided for in this Ordinance for the Series 2006 B Bonds.

H. The Issuer derives revenues from the System which are pledged for payment of the Prior Bonds and Series 1993 Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner. Upon issuance of the Series 2006 C Bonds, the Series 1993 Bonds will be defeased and the Series C Bonds will be secured by a first lien on the Net Revenues, on a parity with the Prior Bonds, and the Series 2006 A Bonds. The Issuer may later determine, however, not to issue the Series 2006 C Bonds.

I. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, upon refunding and defeasance of the Series 1993 Bonds, to pay all Operating Expenses of the System and the principal of and interest on the Series 2006 A Bonds, Series 2006 C Bonds and the Prior Bonds and to make all other payments provided for in this Ordinance.

J. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 2006 C Bonds presented to the Issuer by the Original Purchaser, the Series 2006 C Bonds show a net present value savings to the Issuer after deducting all expenses of the refunding of the Series 1993 Bonds and the costs of issuing the Series 2006 C Bonds.

K. The Issuer shall not sell the Series 2006 C Bonds without setting forth in a Supplemental Resolution the determination set forth in paragraph J, above, based upon

the actual principal amount, maturity schedule and interest rates for the Series 2006 C Bonds, and the Issuer shall not issue the Series 2006 C Bonds without having obtained from an independent certified public accountant a certification that the amount of savings stated to be achieved by the refunding of the Series 1993 Bonds shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2006 C Bonds and the net interest cost in dollars of the Series 1993 Bonds.

L. Subject to the determination and certification required by paragraph K, above, it is in the best interest of the Issuer, and the inhabitants thereof, that the Issuer issue if and when issued, the Series 2006 C Bonds and secure the Series 2006 C Bonds by a pledge and assignment of the Net Revenues derived from the operation of the System, the moneys in the Series 2006 C Bonds Reserve Account, unexpended proceeds of the Series 2006 C Bonds and as further set forth herein.

M. The Series 2006 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A - SERIES 2006 A BOND FORM, attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

The Series 2006 B Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT B - SERIES 2006 B BOND FORM, attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

The Series 2006 C Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT C - SERIES 2006 C BOND FORM, attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

N. All things necessary to make the Series 2006 Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2006 Bonds, will be timely done and duly performed.

O. The enactment of this Ordinance, and the execution and issuance of the Series 2006 Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Bonds, 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.

ARTICLE II

AUTHORIZATION OF REFUNDING OF SERIES 1993 BONDS; AUTHORIZATION OF PAYMENT OF OUTSTANDING PRINCIPAL BALANCE OF SERIES 2003 NOTES; AUTHORIZATION OF FINANCING OF SINKING FUND AND DEBT SERVICE RESERVE ACCOUNT ARREARAGES; AUTHORIZATION TO DETERMINE FOLLOWING ENACTMENT OF THIS ORDINANCE NOT TO ISSUE THE SERIES 2006 C BONDS OR TO ISSUE THE SERIES 2006 BONDS AT DIFFERENT TIMES

Section 2.01. Authorization of Payment of Principal Balance of Series 2003 Notes. The Series 2003 A Notes and Series 2003 B Notes Outstanding as of the date of issuance of the Series 2006 A Bonds and Series 2006 B Bonds, respectively, in the aggregate principal amounts of $2,640,000 and $555,000, respectively, are hereby ordered to be paid in full. The proceeds of the Series 2006 A Bonds and the Series 2006 B Bonds shall be used to pay the outstanding principal balance of, and accrued interest on, the Series 2003 Notes on the Series 2003 Notes Redemption Date pursuant to the terms of the 2003 Prepayment Agreement. Upon payment in full of the Series 2003 Notes, the liens created by the Series 2003 Ordinance shall be released and discharged.

Section 2.02. Authorization of Refunding of Series 1993 Bonds. The Series 1993 Bonds Outstanding as of the date of issuance of the Series 2006 C Bonds in the aggregate principal amount of not to exceed $7,000,000 are hereby ordered to be refunded pursuant to the terms of a 1993 Prepayment Agreement, and the pledge of Net Revenues in favor of the Holders of such Series 1993 Bonds imposed by the Series 1993 Ordinance, the moneys in the funds and accounts created by the Series 1993 Ordinance for the payment of the Series 1993 Bonds and any other funds pledged by the Series 1993 Ordinance to payment of the Series 1993 Bonds are hereby ordered terminated, discharged and released upon the payment into the 1993 Prepayment Fund from the proceeds of the Series 2006 C Bonds, together with other moneys available therefor, of the following: (a) if required by the 1993 Prepayment Agreement, an amount equal to the fiscal and paying agent charges and any other charges to become due and payable in connection with the Series 1993 Bonds and (b) an amount which will be simultaneously invested in Government Obligations bearing interest and having maturities sufficient, together with certain cash which may also be deposited, to provide for the payment of the principal of and interest on such Series 1993 Bonds as the same become due, on the Series 1993 Bonds Redemption Date, all as set forth in the1993 Prepayment Agreement. Contemporaneously with the deposit of such Series 2006 C Bond proceeds into the 1993 Prepayment Fund, the amounts on deposit in the sinking fund, including the reserve account therein, and all other funds and accounts created and maintained on behalf of the Series 1993 Bonds shall be deposited in the 1993 Prepayment Fund, the Series 2006 C Bonds Reserve Account or such other fund or account as shall be set forth in the 1993 Prepayment Agreement, and invested as provided in the 1993 Prepayment Agreement.

Section 2.03. Authorization to Determine Following Enactment of this Ordinance not to Issue the Series 2006 C Bonds or to Issue the Series 2006 Bonds at Different Times. Following enactment of this Ordinance, the Issuer is hereby authorized to make a determination that it is not in the best interest of its residents or users of the System to issue the Series 2006 C Bonds authorized by this Ordinance, or the Issuer may make a determination that it is in the best interest of its residents and users of the System to issue the three series of Series 2006 Bonds authorized by this Ordinance at separate times and not simultaneously with one another.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Bonds issued pursuant to this Ordinance after the issuance of the Series 2006 Bonds, as hereinafter provided, may be issued only as fully registered Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in a Supplemental Resolution). All Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. 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 Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Bonds surrendered.

The principal of and the premium, if any, on the 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 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 Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

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

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

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

Section 3.03. Authentication and Registration. No Series 2006 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 forms set forth in EXHIBIT A - FORM OF SERIES 2006 A BOND, EXHIBIT B - FORM OF SERIES 2006 B BOND and EXHIBIT C - FORM OF SERIES 2006 C BOND attached hereto and incorporated herein by reference with respect to such respective Series 2006 Bond, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

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

So long as any of the Series 2006 Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds. Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

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

In all cases in which the privilege of transferring or exchanging a Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All

Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

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

Section 3.06. Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the respective Redemption Account in accordance with Subsection 4.03(A)(2) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 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 Bonds shall be set forth in the Supplemental Resolution relating thereto.

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

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

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

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

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or

certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer, 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.

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 Registrar, and

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

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

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

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

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

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

Section 3.10. Authorization of Series 2006 Bonds. A. For the purposes of paying the outstanding principal balance of the Series 2003 A Notes, funding the Series 2006 A Bonds Reserve Account and paying costs of issuance of the Series 2006 A Bonds and related costs, there shall be issued the Series 2006 A Bonds of the Issuer, in an aggregate principal amount of not more than $4,000,000. The Series 2006 A Bonds shall be designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2006 A" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2006 A Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2006 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2006 A Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

B. For the purposes of paying the principal balance of the Series 2003 B Notes, permanently financing certain sinking fund and debt service reserve account arrearages, funding the Series 2006 B Bonds Reserve Account and paying costs of issuance of the Series 2006 B Bonds and related costs, there shall be issued the Series 2006 B Bonds

of the Issuer, in an aggregate principal amount of not more than $2,750,000. The Series 2006 B Bonds shall be designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2006 B (Taxable)" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2006 B Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2006 B Bonds shall be numbered from BR-1 consecutively upward. The Series 2006 B Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

C. For the purposes of refunding the Series 1993 Bonds, funding the Series 2006 C Bonds Reserve Account and paying costs of issuance of the Series 2006 C Bonds and related costs, there shall be issued, if and when issued, the Series 2006 C Bonds of the Issuer, in an aggregate principal amount of not more than $7,000,000. The Series 2006 C Bonds shall be designated "The City of Huntington (West Virginia) Sewer Refunding Revenue Bonds, Series 2006 C" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2006 C Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2006 C Bonds shall be numbered from CR-1 consecutively upward. The Series 2006 C Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

D. Following enactment of this Ordinance, the Issuer may determine that it is not in the best interest of its residents or users of the System to issue the Series 2006 C Bonds authorized by this Ordinance, or the Issuer may determine that it is in the best interest of its residents and users of the System to issue the three series of Series 2006 Bonds authorized by this Ordinance at separate times and not simultaneously with one another.

Section 3.11. Book Entry System for Series 2006 Bonds. The Series 2006 A Bonds, the Series 2006 B Bonds, and the Series 2006 C Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2006 A Bonds, the Series 2006 B Bonds and the Series 2006 C Bonds, respectively, of each maturity, and shall be registered in the name of Cede & Co., as nominee of DTC. Notwithstanding anything herein to the contrary contained, so long as the Series 2006 A Bonds, Series 2006 B Bonds and Series 2006 C Bonds are so issued and registered, DTC (or its nominee) shall be treated as the sole Registered Owner for all

purposes hereunder. Each Bond shall bear a legend substantially to the following effect "Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this certificate is presented by an authorized representative of DTC, to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein."

With respect to Series 2006 Bonds registered in the records of the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent shall have no responsibility or obligation to any other participant in DTC or to any Person on behalf of whom such a participant in DTC holds a beneficial interest in the Series 2006 Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any other participant in DTC with respect to any beneficial ownership interest in any Bond, (ii) the delivery to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any notice with respect to any Series 2006 Bonds, including without limitation any notice of redemption, tender, purchase or any event which would or could give rise to a tender or purchase right or option with respect to any Bond, (iii) the payment to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any amount with respect to principal of, premium, if any, or interest on, any Bond, or (iv) any consent given by DTC as Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent shall be entitled to treat and consider the Person in whose name each Bond is registered in the records of the Registrar as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption, sale, purchase or any event which would or could give rise to a sale or purchase right or option with respect to any Bond for the purpose of making payment of any purchase price of such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Issuer and Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2006 Bonds and the purchase price of any Bond only to or upon the order of the respective Registered Owners, as shown in the records of the Registrar as provided in this Ordinance, or their respective attorneys or legal representatives duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2006 Bonds to the extent of the sum or sums so paid. No Person other than a Registered Owner, as shown in the records of the Registrar, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to this Ordinance.

The Registered Owners have no right to a depository for the Series 2006 Bonds. The Issuer may remove DTC or any successor thereto for any reason at any time. In such event or in the event DTC shall notify the Issuer that DTC is discontinuing its book-entry system for the Series 2006 Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act, notify DTC of the appointment of such successor securities depository and transfer one or more separate Bond certificates to such successor securities depository or (ii) notify DTC of the availability through the DTC of Bond certificates and transfer one or more separate Bond certificates to other participants or beneficial owners as DTC may direct. In such event, the Series 2006 Bonds shall no longer be restricted to being registered in the records of the Registrar in the name of Cede & Co., as nominee, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names other participants in DTC receiving Series 2006 Bonds shall designate, in accordance with the provisions of this Ordinance. The provisions of this Section applicable to DTC shall apply, mutatis mutandis, to any successor depository performing the same functions hereunder as DTC.

The Issuer represents hereby that it has executed a Letter of Representations, the terms of which are applicable to the issuance of the Series 2006 Bonds hereunder. Such Letter of Representations is for the purpose of effectuating the Book-Entry Only System only and shall not be deemed to amend, supersede or supplement the terms of this Ordinance which are intended to be complete without reference to the Letter of Representations. In the event of any conflict between the terms of the Letter of Representations and the terms of this Ordinance, the terms of this Ordinance shall control. DTC may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 3.12. Delivery of Series 2006 Bonds. The Issuer shall execute and deliver the Series 2006 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2006 Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2006 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 Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2006 Bonds to DTC for the benefit of the Original Purchaser;

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

(D) The unqualified approving opinion of Bond Counsel regarding the Series 2006 Bonds; and

(E) A copy of such other documents and certificates as the Original Purchaser may reasonably require.

Section 3.13. Form of Series 2006 Bonds. A. The definitive Series 2006 A Bonds shall be in substantially the form set forth in EXHIBIT A - SERIES 2006 A BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2006 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2006 A Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

B. The definitive Series 2006 B Bonds shall be in substantially the form set forth in EXHIBIT B - SERIES 2006 B BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2006 B Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2006 B Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

C. The definitive Series 2006 C Bonds shall be in substantially the form set forth in EXHIBIT C - SERIES 2006 C BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2006 C Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2006 C Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2006 A Bonds. Upon the issuance and delivery of the Series 2006 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on Series 2006 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2006 A Bonds Sinking Fund and applied to payment of interest on the Series 2006 A Bonds at the first interest payment date.

B. An amount of the proceeds of the Series 2006 A Bonds which shall be sufficient to accomplish the payment of the outstanding principal balance and defeasance of the Series 2003 A Notes, which amount shall be set forth in the 2003 Prepayment Agreement, shall be deposited in the 2003 Prepayment Fund.

C. The amount of Series 2006 A Bonds Proceeds equal to the Series 2006 A Bonds Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Series 2006 A Bonds Reserve Account, provided that, to the extent the Series 2006 A Bonds Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the Series 2003 Ordinance for the applicable series of Bonds, Series 2006 A Bond Proceeds shall be deposited in the Series 2006 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2006 A Bonds Reserve Account Requirement.

D. The balance of the proceeds of the Series 2006 A Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2006 A Bonds at the written direction of the Issuer. Moneys 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 90 days of the Closing Date, such unapplied proceeds shall be transferred by the Issuer and deposited in the Series 2006 A Bonds Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 2006 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the Series 2006 A Bonds from which such proceeds are derived.

Section 3.15. Disposition of Proceeds of Series 2006 B Bonds. Upon the issuance and delivery of the Series 2006 B Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on Series 2006 B Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2006 B Bonds Sinking Fund and applied to payment of interest on the Series 2006 B Bonds at the first interest payment date.

B. An amount of the proceeds of the Series 2006 B Bonds which shall be sufficient to accomplish the payment of the outstanding principal balance and defeasance of the Series 2003 B Notes, which amount shall be set forth in the 2003 Prepayment Agreement, shall be deposited in the 2003 Prepayment Fund.

C. The amount of Series 2006 B Bonds Proceeds equal to the Series 2006 B Bonds Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Series 2006 B Bonds Reserve Account, provided that, to the extent the Series 2006 B Bonds Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the Series 2003 Ordinance for the applicable series of Bonds, Series 2006 B Bond Proceeds shall be deposited in the Series 2006 B Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2006 B Bonds Reserve Account Requirement.

D. The balance of the proceeds of the Series 2006 B Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2006 B Bonds at the written direction of the Issuer. Moneys 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 90 days of the Closing Date, such unapplied proceeds shall be transferred by the Issuer and deposited in the Series 2006 B Bonds Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 2006 B Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the Series 2006 B Bonds from which such proceeds are derived.

Section 3.16. Disposition of Proceeds of Series 2006 C Bonds. Upon the issuance and delivery of the Series 2006 C Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on Series 2006 C Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2006 C Bonds Sinking Fund and applied to payment of interest on the Series 2006 C Bonds at the first interest payment date.

B. An amount of the proceeds of the Series 2006 C Bonds, together with all moneys in the funds and accounts created by the Series 1993 Ordinance for the payment of the Series 1993 Bonds, sufficient to accomplish the refunding and defeasance of Series 1993 Bonds, which amount shall be set forth in the 1993 Prepayment Agreement, shall be deposited in the 1993 Prepayment Fund.

C. The amount of Series 2006 C Bonds Proceeds equal to the Series 2006 C Bonds Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Series 2006 C Bonds Reserve Account, provided that, to the extent the Series 2006 C Bonds Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the Prior Ordinances for the applicable series of Bonds, Series 2006 C Bond Proceeds shall be deposited in the Series 2006 C Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2006 C Bonds Reserve Account Requirement.

D. The balance of the proceeds of the Series 2006 C Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2006 C Bonds and miscellaneous costs of refunding the Series 1993 Bonds at the written direction of the Issuer. Moneys not to be applied immediately to pay such costs of issuance and refunding 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 90 days of the Closing Date,

such unapplied proceeds shall be transferred by the Issuer and deposited in the Series 2006 C Bonds Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 2006 C Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the Series 2006 C Bonds from which such proceeds are derived.

Section 3.17. Designation of Bonds as "Qualified Tax-Exempt Obligations". The Issuer hereby designates the Series 2006 A Bonds and Series 2006 C Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2006 A Bonds and the Series 2006 C Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2006 A Bonds and the Series 2006 C Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2006.

ARTICLE IV

SYSTEM REVENUES; FUNDS AND ACCOUNTS

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

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

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

(3) Costs of Issuance Fund;

(4) Operation and Maintenance Surcharge Account (previously established when the Surcharge was implemented);

(5) Rebate Fund;

(6) 2003 Prepayment Fund; and

(7) When the Series 2006 C Bonds are issued, the 1993 Prepayment Fund.

Moneys in such Funds and Subaccounts, may be commingled and aggregated by the Depository Bank if so directed by the Issuer, for purposes of investment of such funds, but separate accounting shall be maintained for each such fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission in addition to Funds and Accounts created by the Prior Ordinances. In addition to the funds and accounts created by the Prior Ordinances, pursuant to this Article IV, the following special funds and accounts are hereby established (or continued if previously established by the Prior Ordinances), with and shall be held by the Bond Commission:

(1) Series 2006 A Bonds Sinking Fund;

(a) the Series 2006 A Bonds Reserve Account; and

(b) Within the Series 2006 A Bonds Sinking Fund, the Series 2006 A Bonds Redemption Account.

(2) Series 2006 B Bonds Sinking Fund; and

(a) Within the Series 2006 B Bonds Sinking Fund, the Series 2006 B Bonds Reserve Account; and

(b) Within the Series 2006 B Bonds Sinking Fund, the Series 2006 B Bonds Redemption Account.

(3) Series 2006 C Bonds Sinking Fund.

(a) Within the Series 2006 C Bonds Sinking Fund, the Series 2006 C Bonds Reserve Account; and

(b) Within the Series 2006 C Bonds Sinking Fund, the Series 2006 C Bonds Redemption Account.

In addition to the foregoing funds and accounts established or continued in this Section 4.01, Section 4.02, and Section 4.03, the Issuer may establish such other funds and accounts as it may deem appropriate for any particular series of Bonds by provision therefor in a Supplemental Resolution.

Section 4.03. Surcharges and Application Thereof.

(1) The Issuer shall, on the first day of each month, transfer from the Revenue Fund and deposit in the Operation and Maintenance Surcharge Account, the Surcharges collected for the month;

(a) The Issuer shall next, on the first day of each month, transfer from the Operation and Maintenance Surcharge Account to the Commission, commencing 7 months prior to the first interest payment date of the Series 2006 B Bonds, for deposit in the Series 2006 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2006 B Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2006 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2006 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2006 B Bonds deposited therein;

(b) The Issuer shall next, on the first day of each month, transfer from the Operation and Maintenance Surcharge Account to the Commission, commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2006 B Bonds, for deposit in the Series 2006 B Bonds Sinking Fund and in the Series 2006 B Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2006 B Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2006 B Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date; and

(c) The Issuer shall next, on the first day of each month, transfer from the Operation and Maintenance Surcharge Account to the Commission, for deposit in the Series 2006 B Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2006 B Bonds Reserve Account below the Series 2006 B Bonds Reserve Requirement or any withdrawal from the Series 2006 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2006 B Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2006 B Bonds Reserve Account is less than the Series 2006 B Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2006 B Bonds Reserve Account for deposit into the Series 2006 B Bonds Sinking Fund.

Moneys in the Series 2006 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2006 B Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2006 B Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2006 B Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Series 2006 B Bonds Sinking Fund when the aggregate amount of funds therein, including

the Series 2006 B Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2006 B Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

Amounts in the Series 2006 B Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2006 B Bonds when due, when amounts in the Series 2006 B Bonds Sinking Fund are insufficient therefor and for no other purpose.

Principal and interest payments, and any payments made from the Surcharge for the purpose of funding the Series 2006 B Bonds Reserve Account, shall be made on a parity basis and pro-rata, with respect to the Series 2006 B Bonds, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required hereby.

Additional provisions regarding the funds and accounts established for the Series 2006 B Bonds are further set forth in Section 4.03.

Section 4.04. System Revenues and Application Thereof. So long as any of the Series 2006 A Bonds and Series 2006 C Bonds, if issued, shall be Outstanding and unpaid, the Issuer covenants as follows:

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

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer, the amounts required by the Prior Ordinances and the Series 1993 Ordinance, respectively, to pay the interest on the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer; (ii) commencing 7 months prior to the first interest payment date of the Series 2006 A Bonds, for deposit in the Series 2006 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2006 A Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2006 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or

increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2006 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2006 A Bonds deposited therein; and (iii) commencing 7 months prior to the first interest payment date of the Series 2006 C Bonds, for deposit in the Series 2006 C Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2006 C Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2006 C Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2006 C Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2006 C Bonds deposited therein.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer, the amounts required by the Prior Ordinances and the Series 1993 Ordinance, respectively, to pay the principal of the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer; (ii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2006 A Bonds, for deposit in the Series 2006 A Bonds Sinking Fund and in the Series 2006 A Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2006 A Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2006 A Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date; and (iii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2006 C Bonds, for deposit in the Series 2006 C Bonds Sinking Fund and in the Series 2006 C Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2006 C Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse

between the date of such initial deposit in the Series 2006 C Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Reserve Accounts of the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer, the amount required by the Prior Ordinances and the Series 1993 Ordinance; (ii) for deposit in the Series 2006 A Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2006 A Bonds Reserve Account below the Series 2006 A Bonds Reserve Requirement or any withdrawal from the Series 2006 C Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2006 A Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2006 A Bonds Reserve Account is less than the Series 2006 A Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2006 A Bonds Reserve Account for deposit into the Series 2006 A Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2006 A Bonds Reserve Account to an amount equal to the Series 2006 A Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2006 A Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2006 A Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2006 A Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2006 A Bonds Reserve Requirement; and (iii) for deposit in the Series 2006 C Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2006 C Bonds Reserve Account below the Series 2006 C Bonds Reserve Requirement or any withdrawal from the Series 2006 C Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2006 C Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2006 C Bonds Reserve Account is less than the Series 2006 C Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2006 C Bonds Reserve Account for deposit into the Series 2006 C Bonds

Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2006 C Bonds Reserve Account to an amount equal to the Series 2006 C Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2006 C Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2006 C Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2006 C Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2006 C Bonds Reserve Requirement

(5) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Depreciation Fund a sum equal to not less than 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.

(6) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

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

Moneys in the Series 2006 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2006 A Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2006 A Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2006 A Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.

Moneys in the Series 2006 C Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2006 C Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2006 C Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the

Series 2006 C Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Series 2006 A Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2006 A Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2006 A Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

The Issuer shall not be required to make any further payments into the Series 2006 C Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2006 C Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2006 C Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

The payments into each of the respective Series 2006 Bonds Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

Amounts in the Series 2006 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2006 A Bonds when due, when amounts in the Series 2006 A Bonds Sinking Fund are insufficient therefor and for no other purpose.

Amounts in the Series 2006 C Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2006 C Bonds when due, when amounts in the Series 2006 C Bonds Sinking Fund are insufficient therefor and for no other purpose.

Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes and in the following order of priority for the Prior Bonds, the Series 2006 A Bonds and the Series 2006 C Bonds:

(a) To make up any deficiency in any Reserve Account (so that the amount on deposit therein is at least equal to the applicable Reserve Account Requirement);

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for

such purpose in the Sinking Funds (including the Reserve Accounts); and

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System.

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

C. If on any monthly payment date the Surcharge or the Net Revenues, as applicable, are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.04 and the Surcharge and the Net Revenues, as applicable, shall be applied to such deficiencies before being applied to any other payments hereunder.

D. Principal and interest payments, and any payments made from the Net Revenues for the purpose of funding the Prior Bonds, the Series 2006 A Bonds and Series 2006 C Reserve Accounts, shall be made on a parity basis and pro-rata, with respect to the Prior Bonds, the Series 2006 A Bonds, the Series 2006 C Bonds, or, the Series 1993 Bonds, if not refunded by the Issuer, and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required hereby.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES AND CONTINUING DISCLOSURE AGREEMENT

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

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

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Depreciation Fund or any Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 3 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to, semiannually transfer from each Reserve Account to the corresponding Sinking Fund any earnings on the moneys deposited therein and any other funds in excess of the applicable Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in each Reserve Account an amount at least equal to the applicable Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from a Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in a Reserve Account shall, at any time, be less than the applicable Reserve Requirement, the applicable Bond Insurer, if any, shall be notified

immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the applicable 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 Bonds 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 moneys deposited in any Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6(c) of the Code of West Virginia, 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2006 A Bonds and the Series 2006 C Bonds in such manner and to such extent as may be necessary, so that such Series 2006 A Bonds and Series 2006 C 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 2006 A Bonds and the Series 2006 C Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate, Rebates and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2006 A Bonds and Series 2006 C Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the

contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be 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 Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 5.04. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2006 Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2006 Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2006 Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Series 2006 Bonds shall not be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Surcharge or Net Revenues, as applicable, of the System, the moneys in the respective Series 2006 Bonds Sinking Funds and the respective Series 2006 Bonds Reserve Accounts therein and the unexpended proceeds of the Series 2006 Bonds, all as herein provided. No Holder or Holders of the Series 2006 Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2006 Bonds or the interest thereon.

Section 6.03. Series 2006 B Bonds Secured by Pledge of Surcharge. The payment of the debt service of all of the Series 2006 B Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Surcharge derived from the System and all moneys in the Series 2006 B Bonds Sinking Fund, including the Series 2006 B Bonds Reserve Account therein. The Surcharge derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2006 B Bonds and to make the payments into all funds and accounts and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Series 2006 B Bonds as the same become due and for the other purposes provided in this Ordinance.

Section 6.04. Series 2006 A Bonds and Series 2006 C Bonds Secured by Parity Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all of the Series 2006 A Bonds and Series 2006 C Bonds issued hereunder 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 lien on the Net Revenues in favor of the Holders of the Outstanding Prior Bonds, and all moneys in the Series 2006 A Bonds Sinking Fund and Series 2006 C Bonds Sinking Fund, including the Series 2006 A Bonds Reserve Account therein and the Series 2006 C Bonds Reserve Account therein. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and

interest on the Outstanding Prior Bonds and the Series 2006 A Bonds and Series 2006 C Bonds and to make the payments into all funds and accounts and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Outstanding Prior Bonds, and the Series 2006 A Bonds and the Series 2006 C Bonds as the same become due and for the other purposes provided in this Ordinance.

Section 6.05. Surcharge. The Issuer hereby covenants that it will keep the surcharge in effect until the Series 2006 B Bonds are paid in full pursuant to the Commission Order of the Public Service Commission of West Virginia in Case No. 04-0949-S-MA.

Section 6.06. Rates. Prior to the issuance of the Series 2006 A Bonds and Series 2006 C Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that (i) so long as the Series 1993 Bonds are Outstanding, the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, and thereafter 115% of such amount; provided that, in the event the Series 1993 Bonds are no longer outstanding and an amount equal to or in excess of the respective Prior Bonds' Reserve Account Requirements and the Series 2006 A Bonds Reserve Account Requirement are on deposit in the respective Prior Bonds' Reserve Accounts and the Series 2006 A Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Prior Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

Section 6.07. Operation and Maintenance. The Issuer will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the Net Revenues of said System in the manner provided in this Ordinance.

Section 6.08. Sale of the System. So long as the Prior Bonds, the Series 2006 A Bonds, Series 2006 C Bonds, or the Series 1993 Bonds, if not refunded by the Issuer, are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in this Ordinance, and the Prior Ordinances. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Issuer shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Issuer shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund or the Depreciation Account shall reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $200,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.09. Issuance of Other Obligations Payable Out of Surcharge of the System. The Issuer shall not issue any other obligations whatsoever payable from the Surcharge of the System. The Issuer shall not create, or cause or permit to be created, any

debt, lien, pledge, assignment, encumbrance or any other charge upon the Surcharge of the System pledged for payment of the Bonds and the interest thereon in this Ordinance.

Section 6.10. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except additional parity Bonds provided for in Section 6.11 hereof, payable from the Net Revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Net Revenues with the Bonds; and all obligations hereafter issued by the Issuer payable from the revenues of the System, except such additional Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Bonds.

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

Section 6.11. Additional Parity Bonds Payable Out of the Net Revenues of the System. So long as the Prior Bonds, or the Series 1993 Bonds, if not refunded by the Issuer, are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances and the Series 1993 Ordinance shall be applicable. No additional parity Bonds, as in this section defined, payable out of the Net Revenues of the System shall be issued after the issuance of the Series 2006 A Bonds and Series 2006 C Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived, from the System during the 12 consecutive months in the 18 months immediately preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall, so long as any of the Series 1993 Bonds are outstanding, not be less than 120% of the Maximum Annual Debt Service, and thereafter, shall not be less than 115% of the Maximum Annual Debt Service, on the following:

(1) The Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer, then Outstanding;

(2) The Series 2006 A Bonds and Series 2006 C Bonds then Outstanding;

(3) Any additional parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(4) The additional parity Bonds then proposed to be issued.

The "increased annual Net Revenues expected to be received" as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the Clerk of the Issuer prior to the issuance of such additional parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The term "additional parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Series 2006 A Bonds and Series 2006 C Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2006 A and Series 2006 C Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

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

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then Outstanding, if any (excluding the Depreciation Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the additional parity Bonds.

Section 6.12. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the time of war the Issuer will also carry and maintain insurance to the extent available against risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repairs and restoration of the damaged and destroyed properties or for the other purposes provided herein for the Depreciation Fund.

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

C. WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

D. FLOOD INSURANCE, to extent available at reasonable cost to the Issuer.

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

F. FIDELITY BONDS will be provided as to every officer and employee of the Issuer or the Council having custody of the revenues or of any other funds of the

System, in an amount at least equal to the total funds in the custody of any such person at any one time.

Section 6.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by its System; and, in the event the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.14. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

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

Section 6.15. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.16. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds shall have the right at all

reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 120 days following the end of each Fiscal Year containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The Issuer shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, a monthly unaudited report within 30 days following the end of each month containing the following:

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

(B) A statement of account balances in the Sinking Fund accounts provided for in this Ordinance and status of said funds.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Holder or Holders of Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.17. Operating Budget. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by its charter or the charter of the Issuer, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation

and maintenance of the System at all reasonable times to the Original Purchaser and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2006 A Bonds and the Series 2006 C 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 Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the 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 2006 A Bonds and the Series 2006 C Bonds during the terms 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 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 2006 A Bonds and Series 2006 C 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 2006 A Bonds or Series 2006 C Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2006 A Bonds or the Series 2006 C Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2006 A Bonds or the Series 2006 C Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2006 A Bonds and the Series 2006 C Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2006 A Bonds and the Series 2006 C Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.19. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer intends to obtain a Municipal Bond Insurance Policy for the Series 2006 C Bonds from the Bond Insurer. Certain additional covenants of the Issuer, which shall be set forth in full in the Supplemental Resolution, are required by the Bond Insurer as a condition to insuring the Series 2006 C Bonds, shall apply to the Series 2006 C Bonds and any other Bonds which may be insured by the Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default With Respect to the Series 2006 A Bonds and Series 2006 C Bonds. Each of the following events shall constitute an "Event of Default" with respect to the Series 2006 A Bonds and Series 2006 C Bonds:

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

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

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

(D) If the Issuer defaults on the Prior Bonds or the Series 1993 Bonds, if not refunded by the Issuer, or the Prior Ordinances or the Series 1993 Ordinance, if the Series 1993 Bonds are not refunded by the Issuer pursuant to this Ordinance.

Section 7.02. Events of Default With Respect to the Series 2006 B Bonds. Each of the following events shall constitute an "Event of Default" with respect to the Series 2006 B Bonds:

(A) If default by the Issuer occurs in the due and punctual payment of the principal of or interest on the Series 2006 B Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Series 2006 B Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the Bondholder of the Series 2006 B Bonds or any Insurer; or

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

Section 7.03. Enforcement With Respect to the Series 2006 A Bonds and Series 2006 C Bonds. For purposes of this Section, any reference to Bondholder shall only include the Bondholders of the Prior Bonds, the Series 2006 A Bonds and the Series 2006 C Bonds. Upon the happening and continuance of an Event of Default as more fully defined and described in Section 7.01 hereof, any Bondholder or any Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

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

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

(C) Bring suit upon the Bonds;

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

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

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute.

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

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.04. Enforcement Regarding Series 2006 B Bonds. For purposes of this Section, any reference to Bondholder shall only include the Bondholder of the Series 2006 B Bonds. Upon the happening and continuance of any Event of Default as more fully defined and described in Section 7.02 hereof, the Bondholder of the Series 2006 B Bonds

may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

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

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

(C) Bring suit upon the Series 2006 B Bonds;

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

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

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute.

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

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.05. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate, maintain, manage and control such facilities, and each and every part thereof,

and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the 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 Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

Section 7.06. Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR, PAYING AGENT AND DEPOSITORY BANK

Section 8.01. Appointment of Registrar, Paying Agent and Depository Bank. The Registrar, Paying Agent and Depository Bank (collectively, the "Fiduciaries") for the Series 2006 Bonds shall be appointed pursuant to the Supplemental Resolution. The City Manager of the Issuer is hereby authorized and directed to enter into an agreement with the Fiduciaries, the substantial form of which agreement is to be approved by Supplemental Resolution.

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

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

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

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

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer or by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

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

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

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

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

Section 8.12. Paying Agent and Depository Bank. The Registrar shall also serve as the Paying Agent and Depository Bank. The Registrar's acceptance of the duties and responsibilities of the Registrar expressed in Section 8.02 shall also include the trusts and the duties of Paying Agent and Depository Bank. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-eligible.

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

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

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

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

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

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Net Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

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

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance. This Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, solely for the purpose of maintaining the tax-exempt status of the Bonds, provided that, in the event any of the Bonds are insured, no such amendment or modification which adversely affects the security for such Bonds or the rights of the applicable Bond Insurer for such Bonds may be effected without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Bonds then Outstanding and affected thereby and the Bond Insurer, which must be filed with the Clerk of the Issuer before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Bonds required for consent to any such modification or amendment.

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

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

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an

assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

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

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

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

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

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the Issuer. If any of said Bonds is a coupon Bond, the Registrar or said Paying Agent shall also publish such notice, not less than 30 days prior to the date such moneys will be returned to the Issuer, in an Authorized Newspaper.

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

CITY

The City of Huntington
City Hall
Post Office Box 1659
Huntington, West Virginia 25717
Attention: Chairman, Sanitary Board

REGISTRAR AND PAYING AGENT

[Name and address
to be set forth in the
Supplemental Resolution]

DEPOSITORY BANK

[Name and address
to be set forth in the
Supplemental Resolution]

ORIGINAL PURCHASER

Ross, Sinclaire & Associates, Inc.
400 Democrat Drive
Frankfort, Kentucky 40601

BOND INSURER

[Name and address
to be set forth in the
Supplemental Resolution]

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

Section 10.07. No Personal Liability. No member of the Council or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such

member, official or employee from the performance of any official duty provided by law or this Ordinance.

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

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

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

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

Section 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed, provided however, that the Prior Ordinances and the Series 1993 Ordinance shall remain in full force and effect so long as any of the Prior Bonds or Series 1993 Bonds, if not refunded by the Issuer, are Outstanding.

Section 10.13. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the Council were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 10.14. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in The Herald Dispatch , a newspaper published and having a general circulation

in The City of Huntington, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds described in this Ordinance and that any person interested may appear before the Council of the Issuer at the public hearing to be had at a public meeting of the Council on January 10, 2005, at 7:30 p.m., in the meeting room of the Council in the City Hall of The City of Huntington and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

First Reading:	December 13, 2004
Second Reading:	December 17, 2004
Passed on Final Reading Following Public Hearing:	January 10, 2005

Section 10.15. Effective Date. This Ordinance shall take effect immediately upon enactment.

Enacted this 10th day of January, 2005.

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the Council of THE CITY OF HUNTINGTON at a regular meeting of the Council held at 7:30 p.m., on January 10, 2005, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in The City of Huntington, the first publication having been not less than 10 days prior to such public hearing.

Dated this 29th day of November, 2006.

[SEAL]

Barbara Meadows
City Clerk

EXHIBIT A - SERIES 2006 A BOND FORM

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 2006 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any

Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2006 A" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 2006, the proceeds of which are to be used (i) to pay the outstanding principal balance of The City of Huntington Sewerage System Bond Anticipation Notes, Series 2003 A (Tax-Exempt), currently outstanding in the aggregate principal amount of $_____ (the "Series 2003 A Notes"), which Series 2003 A Notes were issued to temporarily finance the cost of construction of certain additions, betterments and improvements to the public municipal sewerage system of the Issuer; (ii) to fund a reserve account for the Series 2006 A Bonds; and (iii) to pay costs of issuance of the Series 2006 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on _____, 2006, and supplemented by a supplemental resolution adopted by said Council on _____, 2006 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to

time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Huntington, West Virginia.

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

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

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to annual mandatory redemption prior to maturity by random selection on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing

Year (___)	Principal Amount

Bonds Maturing

Year ( )	Principal Amount

* Final Maturity

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

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

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

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 18, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,100,000 (THE "SERIES 1993 BONDS"), SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"), SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550 (THE "SERIES 1999 BONDS"), SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 A

BONDS" AND TOGETHER WITH THE SERIES 1997 BONDS, THE SERIES 1999 BONDS AND THE SERIES 1993 BONDS ARE COLLECTIVELY REFERRED TO HEREIN AS THE "PRIOR BONDS").

The Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and the Series 2006 A Bonds and from moneys in the Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer hereby covenants and agrees that (i) so long as the Series 1993 Bonds are Outstanding, the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, and thereafter 115% of such amount; provided that, in the event the Series 1993 Bonds are no longer outstanding and an amount equal to or in excess of the respective Prior Bonds' Reserve Account Requirements and the Series 2006 A Bonds Reserve Account Requirement are on deposit in the respective Prior Bonds' Reserve Accounts and the Series 2006 A Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Prior Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay the outstanding principal balance of the Series 2003 A Notes, fund a reserve account for the Bonds and pay all costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all

other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that the Surcharge of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2006 A Bonds.

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

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

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

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

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

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

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

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

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

EXHIBIT B - SERIES 2006 B BOND FORM

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 2006 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any

Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2006 B" (Taxable) (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 2006, the proceeds of which are to be used (i) to pay the outstanding principal balance of The City of Huntington Sewerage System Bond Anticipation Notes, Series 2003 B (Taxable), currently outstanding in the aggregate principal amount of $_____ (the "Series 2003 B Notes"), which Series 2003 B Notes were issued to temporarily finance sinking fund and debt service reserve account arrearages related to the Prior Bonds (as defined herein) and to reimburse the Issuer for expenditures previously made by the Issuer with respect to the Harveytown and Lawson Heights grant projects; (ii) to permanently finance sinking fund and debt service reserve account arrearages related to the Prior Bonds; (iii) to fund a reserve account for the Series 2006 B Bonds; and (iv) to pay costs of issuance of the Series 2006 B Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on _____, 2006, and supplemented by a supplemental resolution adopted by said Council on _____, 2006 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from

and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Huntington, West Virginia.

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

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

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to annual mandatory redemption prior to maturity by random selection on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing

Year (____)	Principal Amount

Bonds Maturing

Year ( )	Principal Amount

* Final Maturity

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

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

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

The Bonds and the interest thereon are payable only from and are secured by the Surcharge on the System (as defined in the Ordinance), and from moneys in the Series 2006 B Bonds Sinking Fund and the Series 2006 B Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Surcharge shall be sufficient to pay the principal of and interest on the Series 2006 B Bonds and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Surcharge, the moneys in the Series 2006 B Bonds Sinking Fund and the Series 2006 B Bonds Reserve Account and unexpended proceeds of the Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds

are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay costs to pay the outstanding principal balance of the Series 2003 B Notes, fund a reserve account for the Bonds and pay all costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

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

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

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

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

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

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

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

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

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

EXHIBIT C - SERIES 2006 C BOND FORM

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any

Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Huntington (West Virginia) Sewer Refunding Revenue Bonds, Series 2006 C" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 2006, the proceeds of which are to be used (i) to refund The City of Huntington Sewerage System Refunding Revenue Bonds, Series 1993, currently outstanding in the aggregate principal amount of $_____ (the "Series 1993 Bonds"), which Series 1993 Bonds were issued to refinance the cost of construction of certain additions, betterments and improvements to the public municipal sewerage system of the Issuer; (ii) to fund a reserve account for the Series 2006 C Bonds; and (iii) to pay costs of issuance of the Series 2006 C Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on _____, 2006, and supplemented by a supplemental resolution adopted by said Council on _____, 2006 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights,

obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Huntington, West Virginia.

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

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

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to annual mandatory redemption prior to maturity by random selection on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing

Year ( )	Principal Amount

Bonds Maturing

Year ( )	Principal Amount

* Final Maturity

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

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

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

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"), SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550 (THE "SERIES 1999 BONDS"), SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 A BONDS"), SEWER REVENUE BONDS, SERIES 2006 A, DATED _____, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2006 A BONDS" AND TOGETHER WITH

THE SERIES 1997 BONDS, THE SERIES 1999 BONDS AND THE SERIES 2000 BONDS, COLLECTIVELY REFERRED TO HEREIN AS THE "PRIOR BONDS").

The Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds and from moneys in the Series 2006 C Bonds Sinking Fund and the Series 2006 C Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2006 C Bonds Sinking Fund and the Series 2006 C Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer hereby covenants and agrees that (i) so long as the Series 1993 Bonds are Outstanding, the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, and thereafter 115% of such amount; provided that, in the event the Series 1993 Bonds are no longer outstanding and an amount equal to or in excess of the respective Prior Bonds' Reserve Account Requirements and the Series 2006 C Bonds Reserve Account Requirement are on deposit in the respective Prior Bonds' Reserve Accounts and the Series 2006 C Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Prior Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay costs to refund the Series 1993 Bonds, fund a reserve account for the Bonds and pay all costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Net Revenues of the

System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

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

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

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

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

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

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

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

12/07/04
435500.00014

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2006 A (Tax-Exempt)
and
Sewer Revenue Bonds, Series 2006 B (Taxable)

SUPPLEMENTAL PARAMETERS RESOLUTION

SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE SERIES REDESIGNATION OF THE BONDS; PROVIDING PARAMETERS AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2006 A (TAX-EXEMPT) AND SEWER REVENUE BONDS, SERIES 2006 B (TAXABLE) OF THE CITY OF HUNTINGTON; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO ROSS SINCLAIRE & ASSOCIATES, LLC; APPROVING A CONFORMED ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

WHEREAS, the Governing Body has duly and officially enacted on January 10, 2005, an Ordinance (the "Ordinance") entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS, SERIES 2005 A (TAX-EXEMPT) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $4,000,000, FOR THE PURPOSE OF PAYING THE

OUTSTANDING PRINCIPAL BALANCE OF THE CITY'S SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2003 A (TAX-EXEMPT), AND PAYING COSTS OF ISSUANCE AND RELATED COSTS; AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS, SERIES 2005 B (TAXABLE) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $2,750,000, FOR THE PURPOSES OF PAYING THE OUTSTANDING PRINCIPAL BALANCE OF THE CITY'S SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2003 B (TAXABLE), FINANCING CERTAIN SINKING FUND AND DEBT SERVICE RESERVE ACCOUNT ARREARAGES FOR THE CITY'S PRIOR BONDS, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS; AUTHORIZING THE ISSUANCE OF SEWER REFUNDING REVENUE BONDS, SERIES 2005 C (TAX-EXEMPT) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $7,000,000, FOR THE PURPOSE OF REFUNDING THE CITY'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Sewer Revenue Bonds, Series 2005 A (Tax-Exempt) and Sewer Revenue Bonds, Series 2005 B (Taxable) were not issued in 2005, but will be issued in 2006;

WHEREAS, the Governing Body desires to redesignate the Series 2005 Bonds as Series 2006 Bonds;

WHEREAS, the Ordinance provides for the issuance by the Issuer of its Sewer Revenue Bonds, Series 2006 A (Tax-Exempt) in an aggregate principal amount not to exceed $4,000,000 (the "Series 2006 A Bonds"), its Sewer Revenue Bonds, Series 2006 B (Taxable) in an aggregate principal amount not to exceed $2,750,000 (the "Series 2006 B Bonds" and together with the Series 2006 A Bonds, collectively referred to herein as the "Bonds"), and, to make the determination following enactment of the Ordinance as to whether to issue its Sewer Refunding Revenue Bonds, Series 2006 C (Tax-Exempt) in an aggregate principal amount not to exceed $7,000,000 (the "Series 2006 C Bonds"), all in accordance with Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, the Issuer has determined that it is not currently in the best interest of its residents to issue the Series 2006 C Bonds;

WHEREAS, the Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Bonds should be established by Supplemental Resolution, that a Registrar, Paying Agent and Depository Bank be designated, that a Bond Purchase Agreement, a Continuing Disclosure Agreement, a Prepayment Agreement, a Registrar Agreement and an Official Statement be approved and that other matters pertaining to the Bonds be provided for by a supplemental resolution of the Governing Body, that additional covenants and provisions relating to the Bonds be provided therein, and as may be required by any Bond Insurer as a condition to insuring such Bonds and that other matters pertaining to the Bonds be provided for by a supplemental resolution of this Governing Body;

WHEREAS, the Bonds are proposed to be purchased by Ross, Sinclaire & Associates, LLC, Frankfort, Kentucky (the "Original Purchaser"), pursuant to a Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof (the "Bond Purchase Agreement");

WHEREAS, the Governing Body has determined that, in order to obtain the best possible savings for the District in the current interest rate environment, the Mayor shall be empowered and authorized to execute the Bond Purchase Agreement, within the parameters set forth herein, at such time as the Mayor shall determine most advantageous to the Issuer, or not at all; and

WHEREAS, the Ordinance has been revised after its adoption and the Governing Body deems it essential and desirable that a Conformed Bond Ordinance be approved and entered into by the Issuer;

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

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

Section 1. The Bonds are hereby redesignated as the Sewer Revenue Bonds, Series 2006 A (Tax-Exempt) and Sewer Revenue Bonds, Series 2006 B (Taxable).

Section 2. A. Pursuant to the Ordinance and the Act, this Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2006 A Bonds. The Series 2006 A Bonds shall be issued in the aggregate principal amount not to exceed $4,000,000, bear interest at a rate not to exceed 7%, payable semiannually on November 1 and May 1 of each year, commencing May 1, 2007, shall mature on November 1 in such years, shall be dated such date, upon original issuance,shall mature in such principal amounts on such dates (with final maturity no later than November 1, 2036) shall be subject to such redemption provisions, all as shall subsequently be approved by the Mayor; and shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2006 A Bonds shall be as determined by the Mayor at the time of the execution of the Bond Purchase Agreement and as approved by the Mayor in the Certificate of Determinations attached hereto as EXHIBIT A. All other provisions relating to the Series 2006 A Bonds shall be as provided in the Ordinance, and the Series 2006 A Bonds shall be in substantially the form provided in the Ordinance.

B. Pursuant to the Ordinance and the Act, this Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2006 B Bonds. The Series 2006 B Bonds shall be issued in the aggregate principal amount not to exceed $2,750,000, bear interest at a rate not to exceed 9%, payable

semiannually on November 1 and May 1 of each year, commencing May 1, 2007, shall mature on November 1 in such years, shall be dated such date, upon original issuance, shall mature in such principal amounts on such dates (with final maturity no later than November 1, 2036), shall be subject to such redemption provisions, all as shall subsequently be approved by the Mayor; and shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2006 B Bonds shall be as determined by the Mayor at the time of the execution of the Bond Purchase Agreement and as approved by the Mayor in the Certificate of Determinations attached hereto as EXHIBIT A. All other provisions relating to the Series 2006 B Bonds shall be as provided in the Ordinance, and the Series 2006 B Bonds shall be in substantially the form provided in the Ordinance.

Section 3. The Issuer hereby approves the Conformed Ordinance attached hereto as Exhibit B, incorporated herein and made a part hereof.

Section 4. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Bonds, including the payment of all necessary fees and expenses in connection therewith.

Section 5. Proceeds of the Bonds shall be expended solely for the purposes set forth in the Ordinance.

Section 6. The Prepayment Agreement by and between the West Virginia Municipal Bond Commission and the Issuer, substantially in the forms submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute and deliver the Prepayment Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Prepayment Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 7. The Official Statement (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor), and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section. The certificate of the

Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor is hereby ratified and approved.

Section 8. The Registrar Agreement by and between the Issuer and the Registrar designated herein, substantially in the form submitted to this meeting, shall be and the same is hereby approved. The Mayor shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 9. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Bonds.

Section 10. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Paying Agent for the Series 2006 Bonds.

Section 11. The Issuer hereby appoints and designates Fifth Third Bank, Huntington, West Virginia, as the Depository Bank.

Section 12. The Issuer hereby appoints and designates United Bank, Inc., Huntington, West Virginia, as the Registrar.

Section 13. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, including a tax and arbitrage certificate, required or desirable in connection with the Bonds issue to the end that the Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Agreement.

Section 14. The notice addresses for the Registrar and Paying Agent shall be as follows:

DEPOSITORY BANK

Fifth Third Bank
999 Fourth Avenue
Huntington, West Virginia 25701
ATTN: Corporate Trust Department

PAYING AGENT

West Virginia Municipal Bond Commission
#8 Capitol Street, Suite 500
Charleston, WV 25301
Attention: Executive Director

REGISTRAR

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

ORIGINAL PURCHASER

Ross Sinclaire & Associates, Inc.
400 Democrat Drive
Frankfort, Kentucky 40601

Section 15. The issuance of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

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

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Adopted this 23rd day of October, 2006.

THE CITY OF HUNTINGTON

By: _____
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Parameters Resolution duly adopted by the Council of THE CITY OF HUNTINGTON on October 23, 2006, which Supplemental Resolution has not been repealed, rescinded, modified, amended or revoked, as of the date hereof.

Dated this 23rd day of October, 2006.

By: Barbara Meadows
City Clerk

10/18/06
435500.00014

EXHIBIT A

FORM OF CERTIFICATE OF DETERMINATIONS

THE CITY OF HUNTINGTON
Sewer Revenue Bonds, Series 2006 A (Tax-Exempt)
and
Sewer Revenue Bonds, Series 2006 B (Taxable)

CERTIFICATE OF DETERMINATIONS

The undersigned, _____, Mayor of The City of Huntington (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on October 23, 2006 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Sewer Revenue Bonds, Series 2006 A (Tax-Exempt) and Sewer Revenue Bonds, Series 2006 B (Taxable) (collectively, the "Series 2006 Bonds"), hereby finds and determines as follows:

1. The Series 2006 Bonds shall be dated November 1, 2006 and shall bear interest on November 1 and May 1 of each year commencing May 1, 2007.

2. The Series 2006 A Bonds shall be issued in the aggregate principal amount of $_____. The Series 2006 B Bonds shall be issued in the aggregate principal amount of $_____. Such interest rates do not exceed 7% and 9%, respectively, being the maximum interest rate authorized by the Supplemental Parameters Resolution.

3. The Series 2006 Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2006 Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2006 Bonds shall be subject to optional and mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.

6. (A) The Series 2006 A Bonds shall be sold to Ross, Sinclaire & Associates, LLC (the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and a net original issue premium of $_____), plus interest accrued of $_____ on the Series 2006 A Bonds from November 1, 2006 to _____, 2006 (the "Closing Date").

(B) The Series 2006 B Bonds shall be sold to the Underwriter, pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and a net original issue discount of $_____), plus interest accrued of $_____ on the Series 2006 B Bonds from November 1, 2006 to _____, 2006 (the "Closing Date").

7. The forms of the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Prepayment Agreement, the Registrar Agreement and Official Statement attached hereto are hereby approved.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2006 Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2006 Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

WITNESS my signature this _____ day of October, 2006.

THE CITY OF HUNTINGTON

By: _____
Its: Mayor

10.18.06
067740.00017

Schedule 1

Maturity Schedule

SERIES 2006 A BOND TERMS

Bond No.	Maturity Date	Principal Amount	Interest Rate	Price or Yield

SERIES 2006 B BOND TERMS

Bond No.	Maturity Date	Principal Amount	Interest Rate	Price or Yield

Schedule 2

Series 2006 A Bonds Redemption Provisions:

Series 2006 B Bonds Redemption Provisions:

EXHIBIT B

CONFORMED ORDINANCE

THE CITY OF HUNTINGTON
(WEST VIRGINIA)

CONFORMED ORDINANCE

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS, SERIES 2005~~6~~ A (TAX-EXEMPT) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $4,000,000, FOR THE PURPOSE OF PAYING THE OUTSTANDING PRINCIPAL BALANCE OF THE CITY'S SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2003 A (TAX-EXEMPT), AND PAYING COSTS OF ISSUANCE AND RELATED COSTS; AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS, SERIES 2005~~6~~ B (TAXABLE) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $2,750,000, FOR THE PURPOSES OF PAYING THE OUTSTANDING PRINCIPAL BALANCE OF THE CITY'S SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2003 B (TAXABLE), FINANCING CERTAIN SINKING FUND AND DEBT SERVICE RESERVE ACCOUNT ARREARAGES FOR THE CITY'S PRIOR BONDS, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS; AUTHORIZING THE ISSUANCE OF SEWER REFUNDING REVENUE BONDS, SERIES 2005~~6~~ C (TAX-EXEMPT) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $7,000,000, FOR THE PURPOSE OF REFUNDING THE CITY'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, The City of Huntington (the "Issuer") presently owns and operates a public sewerage system, which constitute properties for the collection, transportation, treatment, purification and disposal of liquid or solid wastes, sewage or industrial wastes (the "System") and has heretofore temporarily or permanently financed or refinanced the

acquisition and construction of the System and certain additions, extensions and improvements thereto by issuance of several series of bonds or refunding bonds, of which there are presently outstanding the (i) Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000 (the "Series 1993 Bonds"), (ii) Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895 (the "Series 1997 Bonds"), (iii) Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550 (the "Series 1999 Bonds"), (iv) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098 (the "Series 2000 A Bonds"), ~~and~~ (v) Sewerage System Bond Anticipation Notes, Series 2003 A (Tax-Exempt), dated December 30, 2003, issued in the original aggregate principal amount of $2,640,000 (the "Series 2003 A Notes"), and Sewerage System Bond Anticipation Notes, Series 2003 B (Taxable), dated December 30, 2003, issued in the original aggregate principal amount of $555,000 (the "Series 2003 B Notes" and, together with the Series 2003 A Notes, herein collectively referred to as the "Series 2003 Notes");

WHEREAS, the ~~Issuer has heretofore~~Series 2003 B Notes temporarily financed certain sinking fund and debt service reserve account arrearages and the Issuer reimbursed itself for expenditures previously made by the Issuer with respect to the Harveytown and Lawson Heights grant projects ~~by the issuance of its Sewerage System Bond Anticipation Notes, Series 2003 B (Taxable), dated December 30, 2003, issued in the original aggregate principal amount of $555,000 (the "Series 2003 B Notes" and, together with the Series 2003 A Notes, herein collectively referred to as the "Series 2003 Notes")~~;

WHEREAS, the Series 1993 Bonds were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on October 12, 1993, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on November 3, 1993 (such ordinance, as so supplemented and amended, herein called the "Series 1993 Ordinance"), the Series 1997 Bonds were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on December 11, 1995, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on November 10, 1997 (such ordinance, as so supplemented and amended, herein called the "Series 1997 Ordinance"), the Series 1999 Bonds were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on June 14, 1999, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on June 14, 1999 (such ordinance, as so supplemented and amended, herein called the "Series 1999 Ordinance"), the Series 2000 A Bonds were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on October 10, 2000, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on October 10, 2000 (such ordinance, as so supplemented and amended, herein called the "Series 2000 A Ordinance"), and the

Series 2003 Notes were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on December 22, 2003, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on December 22, 2003 (the "Series 2003 Ordinance" and, together with the Series 1993 Ordinance, the Series 1997 Ordinance, the Series 1999 Ordinance and the Series 2000 A Ordinance, herein collectively referred to as the "Prior Ordinances");

WHEREAS, under the provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), the Issuer is authorized to issue refunding revenue bonds to refund, pay or discharge all or any part of its outstanding revenue bonds;

WHEREAS, the Issuer has determined and hereby determines that it is in the best interests of the residents of The City of Huntington and other users of the System to permanently finance the costs of acquisition and construction of certain additions, betterments and improvements to the System, to permanently finance the reimbursement expenditures with respect to the Harveytown and Lawson Heights grant projects, to permanently finance the sinking fund and debt service reserve account arrearages heretofore financed with the proceeds of the Series 2003 Notes, and to permanently finance certain other sinking fund and debt service reserve account arrearages related to the Issuer's Prior Bonds (as hereinafter defined);

WHEREAS, the Issuer has determined and hereby determines that it may be in the best interest of the residents of The City of Huntington and other users of the System to currently refund the Series 1993 Bonds to achieve interest rate savings;

WHEREAS, the Issuer has determined and hereby determines that it would be to the benefit of the Issuer and its residents and other users of the System, to pay the outstanding principal balance of the Series 2003 A Notes in the manner set forth herein with proceeds of the issuance of a series of bonds to be designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 20056 A (Tax-Exempt)" (the "Series 20056 A Bonds"), in the maximum aggregate principal amount of $4,000,000, such Series 20056 A Bonds to be secured by and payable from the Net Revenues (as hereinafter defined) of the System, on a parity with the ~~Issuer's outstanding Series 1993 Bonds, if not refunded by the Issuer, Series 1997 Bonds, Series 1999 Bonds, Series 2000 A Bonds, the Series 2005 B Bonds to be issued concurrently therewith pursuant to this Ordinance and the Series 2005 C Bonds to be issued, when and if issued, pursuant to this Ordinance. For purposes of this Ordinance, the Series 1997 Bonds, Series 1999 Bonds and Series 2000 A Bonds are collectively referred to as the "Prior Bonds;"~~Prior Bonds and the Series 2006 C Bonds;

WHEREAS, the Issuer has determined and hereby determines that it would be to the benefit of the Issuer and its residents and other users of the System, to pay the outstanding principal balance of the Series 2003 B Notes and to permanently finance certain sinking fund and debt service reserve account arrearages related to the Issuer's Prior Bonds in the manner set forth herein with proceeds of the issuance of a series of bonds to be designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 20056 B (Taxable)" (the "Series 20056 B Bonds"), in the maximum aggregate principal amount of $2,750,000, such Series 20056 B Bonds to be secured by and payable from the ~~Net Revenues of the System, on a parity with the Prior Bonds, the Series 1993 Bonds, if not refunded by the Issuer, the Series 2005 A Bonds to be issued concurrently therewith pursuant to this Ordinance, and the Series C Bonds to be issued, when and if issued, pursuant to this Ordinance~~Surcharge (as hereinafter defined) of the System;

WHEREAS, the Issuer has determined and hereby determines that it ~~may~~would be to the benefit of the Issuer and its residents and other users of the System, to refund the Series 1993 Bonds to achieve interest rate savings on their next redemption date, being May 1, 20057, in the manner set forth herein with proceeds of the issuance of a series of bonds to be designated "The City of Huntington (West Virginia) Sewer Refunding Revenue Bonds, Series 20056 C (Tax-Exempt)" (the "Series 20056 C Bonds" and together with the Series 20056 A Bonds and the Series 20056 B Bonds, collectively referred to herein as the "Series 20056 Bonds"), in the maximum aggregate principal amount of $7,000,000, such Series 20056 C Bonds to be secured by and payable from the Net Revenues (as hereinafter defined) of the System, on a parity with the ~~Prior~~Series 2006 A Bonds and the ~~Series 2005 A~~Prior Bonds ~~and Series 2005 B Bonds to be issued prior to or concurrently therewith pursuant to this Ordinance~~; and

WHEREAS, the Issuer now desires to authorize the payment of the outstanding principal balance of the Series 2003 Notes and the refunding of the Series 1993 Bonds as aforesaid, and to provide for the financing thereof by the issuance of the Series 20056 Bonds as hereinafter provided.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF HUNTINGTON:

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

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

"Act" means Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 2005~~6~~ Bonds.

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

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

"Board" or "Sanitary Board" means the Sanitary Board of the Issuer.

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

"Bond Counsel" shall mean any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer or the Sanitary Board, and shall initially mean Steptoe & Johnson 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 Bonds, and with respect to the Series 2005~~6~~ C Bonds, shall mean the Bond Insurer, if any, designated in the Supplemental Resolution.

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

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

"Bonds" means, collectively, the Series 2005~~6~~ A Bonds, the Series 2005~~6~~ B Bonds, the Series 2005~~6~~ C Bonds, the Series 2000 A Bonds, the Series 1999 Bonds, the

Series 1997 Bonds, the Series 1993 Bonds, if not refunded by the Issuer, and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2005~~6~~ Bonds, respectively, in substantially the forms set forth in EXHIBIT A - FORM OF SERIES 2005~~6~~ A BOND, EXHIBIT B - FORM OF SERIES 2005~~6~~ B BOND, and EXHIBIT C - FORM OF SERIES 2005~~6~~ C BOND, all attached hereto.

"City" or "Issuer" means the The City of Huntington, a municipal corporation and political subdivision of the State of West Virginia, in Cabell and Wayne Counties thereof, and, unless the context clearly indicates otherwise, includes the Governing Body and the Sanitary Board of the Issuer and any other commission, board or department established by the Issuer to operate and maintain the System.

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

"Closing Date" means the date upon which there is an exchange of the Series 2005~~6~~ Bonds for the proceeds representing the original purchase price thereof.

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

"Consulting Engineers" means any qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms, means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of paying the principal balance of the Series 2003 Notes and refunding the Series 1993 Bonds, including payment of redemption premiums, if any, and accrued interest thereon; amounts which may be deposited in the respective Reserve Accounts; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to the refunding of the Series 1993 Bonds and the payment of the outstanding principal balance of the Series 2003 Notes, premiums for municipal bond insurance, if any, and reserve account insurance, letter of credit fees, fiscal agent fees and expenses, underwriter's discount, initial fees for the services of registrars, paying agents, depositories, trustees or escrow trustees, or other costs in connection with the sale of the Series 2005~~6~~ Bonds, the refunding of the Series 1993 Bonds and the payment of the outstanding principal balance of the Series 2003 Notes, and such other expenses as may

be necessary or incidental to the financing herein authorized, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2005G Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

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

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

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

"Depreciation Fund" means the Depreciation Fund established by the Prior Ordinances and continued hereby.

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

"DTC-eligible" means, with respect to the Series 2005G Bonds, meeting the qualifications prescribed by DTC.

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

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

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

"Governing Body" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council, as it may now or hereafter be constituted.

"Government Obligations" means certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

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

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

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds for the then current or any succeeding Fiscal Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Mayor" means the current Mayor of the Issuer.

"Municipal Bond Insurance Policy" means any municipal bond insurance policy issued by a Bond Insurer simultaneously with the delivery of the Series 20056 C Bonds, insuring the payment of the principal of and interest on all or any of the Series 20056 C Bonds in accordance with the terms thereof or any other bond insurance policy which may be issued on behalf of the Issuer to insure payment of the principal of and interest on all or any subsequent series of Bonds.

"Net Proceeds" means the face amount of the Series 20056 A and Series 20056 C Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the respective Series 20056 Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from investment of proceeds of the Series 20056 A Bonds and the Series 20056 C Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means the balance of Gross Revenues remaining after deduction of Operating Expenses, as hereinafter defined, which Net Revenues secure the Prior Bonds, the Series 2006 A Bonds and the Series 2006 C Bonds.

"Operating Expenses," unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

"Original Purchaser" means Ross, Sinclaire & Associates, Inc., Frankfort, Kentucky, as the purchaser of the Series 2005$\underline{6}$ Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Series 2005$\underline{6}$ Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 2005$\underline{6}$ Bonds directly from the Issuer, as determined by a resolution supplemental hereto; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Series 2005$\underline{6}$ Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the Council at the time of approval of such sale of said Series 2005$\underline{6}$ Bonds.

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

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

"Prepayment Agent" means the prepayment agent or agents under the 2003 Prepayment Agreement and 1993 Prepayment Agreement, which shall be appointed pursuant to a resolution supplemental hereto.

"2003 Prepayment Agreement" means the agreement which may be entered into between the Issuer and the ~~Bond Commission~~Prepayment Agent, providing for the defeasance and ultimate payment of the ~~Series 1993 Bonds~~Series 2003 Notes, the deposit therein of proceeds of the ~~Series 2005 C Bonds, the disposition of moneys in the various funds and accounts under the Series 1993 Ordinance~~Series 2006 A Bonds and Series 2006 B Bonds, and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"1993 Prepayment Agreement" means the agreement which may be entered into between the Issuer and the Prepayment Agent, providing for the defeasance and ultimate payment of the Series 1993 Bonds, the deposit therein of proceeds of the Series 2006 C Bonds, the disposition of moneys in the various funds and accounts under the Series 1993 Ordinance and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"1993 Prepayment Fund" means the Prepayment Fund established pursuant to the 1993 Prepayment Agreement.

"2003 Prepayment Fund" means the Prepayment Fund established pursuant to the 2003 Prepayment Agreement.

"Prior Bonds" shall mean collectively, the Series 1997 Bonds, the Series 1999 Bonds and the Series 2000 A Bonds.

"Prior Ordinances" shall have the meaning set forth in the recitals hereto.

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

"Qualified Investments" means and includes the investments set forth in the Supplemental Resolution and designated as such.

"Rebate Fund" means the Rebate Fund established by Section 4.01 hereof.

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

"Redemption Account" means, collectively, the respective redemption accounts created for the Series 2005~~6~~ Bonds by Section 4.02 hereof.

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

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

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the Series 2005~~6~~ Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts created for the Series 2005~~6~~ Bonds and the Prior Bonds.

"Reserve Account Requirement" means, collectively, the respective amount required to be on deposit in the respective Reserve Accounts for the Series 2005~~6~~ Bonds and the Prior Bonds.

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

"Sanitary Board" means the Sanitary Board of the Issuer.

"Series 1993 Bonds" means the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000.

"Series 1993 Bonds Redemption Date" means ~~May 1, 2005,~~ the date fixed for redemption of the Series 1993 Bonds as set forth in the Ordinance authorizing the Series 1993 Bonds.

"Series 1993 Ordinance" means the Ordinance authorizing the issuance of the Series 1993 Bonds.

"Series 1997 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895.

"Series 1999 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550.

"Series 2000 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098.

"Series 2003 Notes" means, collectively, the Series 2003 A Notes and the Series 2003 B Notes.

"Series 2003 Notes Redemption Date" means ~~January 31~~December 1, 2005~~6~~, the date fixed for redemption of the Series 2003 Notes.

"Series 2003 A Notes" means the Issuer's Sewerage System Bond Anticipation Notes, Series 2003 A (Tax-Exempt), dated December 30, 2003, issued in the original aggregate principal amount of $2,640,000.

"Series 2003 B Notes" means the Issuer's Sewerage System Bond Anticipation Notes, Series 2003 B (Taxable), dated December 30, 2003, issued in the original aggregate principal amount of $555,000.

"Series 2003 Ordinance" means the Ordinance that authorized the issuance of the Series 2003 A Notes and Series 2003 B Notes.

"Series 2005~~6~~ Bonds" means, collectively, the Series 2005~~6~~ A Bonds, the Series 2005~~6~~ B Bonds and the Series 2005~~6~~ C Bonds.

"Series 2005~~6~~ A Bonds" means the Sewer Revenue Bonds, Series 2005~~6~~ A (Tax-Exempt), of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2005~~6~~ A Bonds Reserve Account" means the Series 2005~~6~~ A Bonds Reserve Account established in the Series 2005~~6~~ A Bonds Sinking Fund pursuant to Section 4.01 hereof.

"Series 2005~~6~~ A Bonds Reserve Account Requirement" means, as of any date of calculation, Maximum Annual Debt Service for the Series 2005~~6~~ A Bonds.

"Series 2005$\underline{6}$ A Bonds Sinking Fund" means the Series 2005$\underline{6}$ A Bonds Sinking Fund established by Section 4.02 hereof.

"Series 2005$\underline{6}$ B Bonds" means the Sewer Revenue Bonds, Series 2005$\underline{6}$ B (Taxable), of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2005$\underline{6}$ B Bonds Reserve Account" means the Series 2005$\underline{6}$ B Bonds Reserve Account established in the Series 2005$\underline{6}$ B Bonds Sinking Fund pursuant to Section 4.01 hereof.

"Series 2005$\underline{6}$ B Bonds Reserve Account Requirement" means, as of any date of calculation, Maximum Annual Debt Service for the Series 2005$\underline{6}$ B Bonds.

"Series 2005$\underline{6}$ B Bonds Sinking Fund" means the Series 2005$\underline{6}$ B Bonds Sinking Fund established by Section 4.02 hereof.

"Series 2005$\underline{6}$ C Bonds" means the Sewer Refunding Revenue Bonds, Series 2005$\underline{6}$ C (Tax-Exempt), of the Issuer, originally authorized to be issued, if and when issued, pursuant to this Ordinance and the Supplemental Resolution.

"Series 2005$\underline{6}$ C Bonds Reserve Account" means the Series 2005$\underline{6}$ C Bonds Reserve Account established in the Series 2005$\underline{6}$ C Bonds Sinking Fund pursuant to Section 4.01 hereof.

"Series 2005$\underline{6}$ C Bonds Reserve Account Requirement" means, as of any date of calculation, Maximum Annual Debt Service for the Series 2005$\underline{6}$ C Bonds.

"Series 2005$\underline{6}$ C Bonds Sinking Fund" means the Series 2005$\underline{6}$ C Bonds Sinking Fund established by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds created for the Series 2005$\underline{6}$ Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any ordinances or resolutions amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution(s) to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 2005$\underline{6}$ Bonds and authorizing the sale of the Series 2005$\underline{6}$ Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surcharge" means the surcharge approved by the Commission Order of the Public Service Commission of West Virginia in Case Nos. 03-1678-S-C and 04-0949-S-MA, dated December 14, 2004.

"Surplus Revenues" means the Net Revenues not required by the Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund.

"System" means, collectively, the complete existing public municipal sewerage treatment and collection system of the Issuer, and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the issuer.

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

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

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

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

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

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

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

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

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

B. The Issuer now owns and operates, through the Sanitary Board, the System, the acquisition and construction of which has been temporarily or permanently financed or refinanced in part by the proceeds of the Series 1993 Bonds, the Series 2003 Notes, the Prior Bonds and other bonds which have either been refunded and defeased by the Prior Bonds or otherwise, or are no longer Outstanding.

C. Upon issuance of the Series 2006 A Bonds, the Series 2003 A Notes will be defeased and the Series 2006 A Bonds will be secured by a first lien on the Net Revenues, on a parity with the Series 2006 C Bonds and the Prior Bonds.

Upon issuance of the Series 2006 B Bonds, the Series 2003 B Notes will be defeased and the Series 2006 B Bonds will be secured by a lien on the Surcharge.

Upon issuance of the Series 2006 C Bonds, the Series 1993 Bonds will be defeased and the Series 2006 C Bonds will be secured by a first lien on the Net Revenues, on a parity with the Series 2006 A Bonds and the Prior Bonds.

D. The Issuer intends to issue the Series 2006 A Bonds and Series 2006 C Bonds and to pledge for payment thereof, the Net Revenues of the System on a parity with the Prior Bonds.

E. The Issuer intends to simultaneously issue the Series 2006 B Bonds and to pledge for payment thereof, the Surcharge established for use of the System.

~~C~~F. The Issuer derives revenues from the System which are pledged for payment of the Prior Bonds and Series 1993 Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner. Upon issuance of the ~~Series 2005~~Series 2006 A Bonds, the Series ~~1993 Bonds and the Series 2003~~2003 A Notes will be defeased and the ~~Series 2005~~Series 2006 A Bonds will be secured by a first lien on the Net Revenues, on a parity with the Prior Bonds and Series 1993 Bonds, if the ~~Series 1993 Bonds, if not refunded by the Issuer.~~

~~D. The Issuer intends to issue the Series 2005 Bonds and to pledge for payment thereof,~~Series 2006 C Bonds are not issued.

G. The estimated Surcharge to be derived in each year after the date hereof will be sufficient, upon refunding and defeasance of the Series 2003 B Notes, to pay the principal of and interest on the Series 2006 B Bonds and to make all other payments provided for in this Ordinance for the Series 2006 B Bonds.

H. The Issuer derives revenues from the System which are pledged for payment of the Prior Bonds and Series 1993 Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner. Upon issuance of the Series 2006 C Bonds, the Series 1993 Bonds will be defeased and the Series C Bonds will be secured by a first lien on the Net Revenues ~~of~~, on a parity with the Prior

Bonds, and the ~~System~~Series 2006 A Bonds. The Issuer may later determine, however, not to issue the ~~Series 2005 C Bonds, or it may later determine not to issue all three series of the Series 2005 Bonds simultaneously with one another.~~

~~E~~Series 2006 C Bonds.

I. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, upon refunding and defeasance of the Series 1993 Bonds ~~and the Series 2003 Notes~~, to pay all Operating Expenses of the System and the principal of and interest on the Series ~~2005~~2006 A Bonds, Series 2006 C Bonds and the Prior Bonds and to make all other payments provided for in this Ordinance.

~~F~~J. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 2005~~6~~ C Bonds presented to the Issuer by the Original Purchaser, the Series 2005~~6~~ C Bonds show a net present value savings to the Issuer after deducting all expenses of the refunding of the Series 1993 Bonds and the costs of issuing the Series 2005~~6~~ C Bonds.

~~G~~K. The Issuer shall not sell the Series 2005~~6~~ C Bonds without setting forth in ~~the~~a Supplemental Resolution the determination set forth in paragraph ~~F~~J, above, based upon the actual principal amount, maturity schedule and interest rates for the Series 2005~~6~~ C Bonds, and the Issuer shall not issue the Series 2005~~6~~ C Bonds without having obtained from an independent certified public accountant a certification that the amount of savings stated to be achieved by the refunding of the Series 1993 Bonds shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2005~~6~~ C Bonds and the net interest cost in dollars of the Series 1993 Bonds.

~~H~~L. Subject to the determination and certification required by paragraph ~~G~~K, above, it is in the best interest of the Issuer, and the inhabitants thereof, that the Issuer issue~~,~~ if and when issued, the Series 2005~~6~~ C Bonds and secure the Series 2005~~6~~ C Bonds by a pledge and assignment of the Net Revenues derived from the operation of the System, the moneys in the Series 2005~~6~~ C Bonds Reserve Account, unexpended proceeds of the Series 2005~~6~~ C Bonds and as further set forth herein.

~~H~~M. The Series 2005~~6~~ A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A - SERIES 2005~~6~~ A BOND FORM, attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

~~—~~The Series 2005~~6~~ B Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT B - SERIES 2005~~6~~ B BOND FORM, attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted

or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

———The Series 20056 C Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT C - SERIES 20056 C BOND FORM, attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

~~J~~N. All things necessary to make the Series 20056 Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 20056 Bonds, will be timely done and duly performed.

~~K~~O. The enactment of this Ordinance, and the execution and issuance of the Series 20056 Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Bonds, 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.

ARTICLE II

AUTHORIZATION OF REFUNDING OF SERIES 1993 BONDS; AUTHORIZATION OF PAYMENT OF OUTSTANDING PRINCIPAL BALANCE OF SERIES 2003 NOTES; AUTHORIZATION OF FINANCING OF SINKING FUND AND DEBT SERVICE RESERVE ACCOUNT ARREARAGES; AUTHORIZATION TO DETERMINE FOLLOWING ENACTMENT OF THIS ORDINANCE NOT TO ISSUE THE SERIES 20056 C BONDS OR TO ISSUE THE SERIES 20056 BONDS AT DIFFERENT TIMES

~~Section 2.01. Authorization of Refunding of Series 1993 Bonds. The Series 1993 Bonds Outstanding as of the date of issuance of the Series 2005 C Bonds in the aggregate principal amount of $ are hereby ordered to be refunded pursuant to the terms of the Prepayment Agreement, and the pledge of Net Revenues in favor of the Holders of such Series 1993 Bonds imposed by the Series 1993 Ordinance, the moneys in the funds and accounts created by the Series 1993 Ordinance for the payment of the Series 1993 Bonds and any other funds pledged by the Series 1993 Ordinance to payment of the Series 1993 Bonds are hereby ordered terminated, discharged and released upon the payment into the Prepayment Fund from the proceeds of the Series 2005 C Bonds, together with other moneys available therefor, of the following: (a) if required by the Prepayment Agreement, an amount equal to the fiscal and paying agent charges and any other charges to become due and payable in connection with the Series 1993 Bonds and (b) an amount which will be simultaneously invested in Government Obligations bearing interest and having maturities sufficient, together with certain cash which may also be deposited, to provide for the payment of the principal of and interest on such Series 1993 Bonds as the same become due, on the Series 1993 Bonds Redemption Date, all as set forth in the Prepayment Agreement. Contemporaneously with the deposit of such Series 2005 C Bond proceeds into the Prepayment Fund, the amounts on deposit in the sinking fund, including the reserve account therein, and all other funds and accounts created and maintained on behalf of the Series 1993 Bonds shall be deposited in the Prepayment Fund, the Series 2005 C Bonds Reserve Account or such other fund or account as shall be set forth in the Prepayment Agreement, and invested as provided in the Prepayment Agreement.~~

~~Section 2.02~~1. Authorization of Payment of Principal Balance of Series 2003 Notes. The Series 2003 A Notes and Series 2003 B Notes Outstanding as of the date of issuance of the Series 20056 A Bonds and Series 20056 B Bonds, respectively, in the aggregate principal amounts of $_____ and $_____, respectively, are hereby ordered to be paid in full. The proceeds of the Series 20056 A Bonds and the Series 20056 B Bonds shall be used to pay the outstanding principal balance of, and accrued interest on, the Series 2003 Notes on the Series 2003 Notes Redemption Date pursuant to the terms of the 2003 Prepayment Agreement. Upon payment in full of the Series 2003 Notes, the liens created by the Series 2003 Ordinance shall be released and discharged.

~~Section 2.032.~~ Authorization of ~~Finance~~Refunding of ~~Arrearages. There is hereby authorized and ordered the permanent financing of the sinking fund and debt service reserve account arrearages related to the Prior Bonds which will paid from a portion of~~Series 1993 Bonds. The Series 1993 Bonds Outstanding as of the date of issuance of the Series 2006 C Bonds in the aggregate principal amount of not to exceed $7,000,000 are hereby ordered to be refunded pursuant to the terms of a 1993 Prepayment Agreement, and the pledge of Net Revenues in favor of the Holders of such Series 1993 Bonds imposed by the Series 1993 Ordinance, the moneys in the funds and accounts created by the Series 1993 Ordinance for the payment of the Series 1993 Bonds and any other funds pledged by the Series 1993 Ordinance to payment of the Series 1993 Bonds are hereby ordered terminated, discharged and released upon the payment into the 1993 Prepayment Fund from the proceeds of the ~~Series 2005 B Bonds~~Series 2006 C Bonds, together with other moneys available therefor, of the following: (a) if required by the 1993 Prepayment Agreement, an amount equal to the fiscal and paying agent charges and any other charges to become due and payable in connection with the Series 1993 Bonds and (b) an amount which will be simultaneously invested in Government Obligations bearing interest and having maturities sufficient, together with certain cash which may also be deposited, to provide for the payment of the principal of and interest on such Series 1993 Bonds as the same become due, on the Series 1993 Bonds Redemption Date, all as set forth in the1993 Prepayment Agreement. Contemporaneously with the deposit of such Series 2006 C Bond proceeds into the 1993 Prepayment Fund, the amounts on deposit in the sinking fund, including the reserve account therein, and all other funds and accounts created and maintained on behalf of the Series 1993 Bonds shall be deposited in the 1993 Prepayment Fund, the Series 2006 C Bonds Reserve Account or such other fund or account as shall be set forth in the 1993 Prepayment Agreement, and invested as provided in the 1993 Prepayment Agreement.

Section 2.043. Authorization to Determine Following Enactment of this Ordinance not to Issue the Series 2005~~6~~ C Bonds or to Issue the Series 2005~~6~~ Bonds at Different Times. Following enactment of this Ordinance, the Issuer is hereby authorized to make a determination that it is not in the best interest of its residents or users of the System to issue the Series 2005~~6~~ C Bonds authorized by this Ordinance, or the Issuer may make a determination that it is in the best interest of its residents and users of the System to issue the three series of Series 2005~~6~~ Bonds authorized by this Ordinance at separate times and not simultaneously with one another.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Bonds issued pursuant to this Ordinance after the issuance of the Series 2005G Bonds, as hereinafter provided, may be issued only as fully registered Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in a Supplemental Resolution). All Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. 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 Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Bonds surrendered.

The principal of and the premium, if any, on the 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 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 Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

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

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

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

Section 3.03. Authentication and Registration. No Series 2005$\underline{6}$ 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 forms set forth in EXHIBIT A - FORM OF SERIES 2005$\underline{6}$ A BOND, EXHIBIT B - FORM OF SERIES 2005$\underline{6}$ B BOND and EXHIBIT C - FORM OF SERIES 2005$\underline{6}$ C BOND attached hereto and incorporated herein by reference with respect to such respective Series 2005$\underline{6}$ Bond, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

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

So long as any of the Series 2005$\underline{6}$ Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds. Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

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

In all cases in which the privilege of transferring or exchanging a Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All

Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

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

Section 3.06. Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the respective Redemption Account in accordance with Subsection 4.03(A)(2) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 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 Bonds shall be set forth in the Supplemental Resolution relating thereto.

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

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

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

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

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or

certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer, 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.

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 Registrar, and

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

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

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

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

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

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

Section 3.10. Authorization of Series 2005$\underline{6}$ Bonds. A. For the purposes of paying the outstanding principal balance of the Series 2003 A Notes, funding the Series 2005$\underline{6}$ A Bonds Reserve Account and paying costs of issuance of the Series 2005$\underline{6}$ A Bonds and related costs, there shall be issued the Series 2005$\underline{6}$ A Bonds of the Issuer, in an aggregate principal amount of not more than $4,000,000. The Series 2005$\underline{6}$ A Bonds shall be designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2005$\underline{6}$ A" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2005$\underline{6}$ A Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2005$\underline{6}$ A Bonds shall be numbered from AR-1 consecutively upward. The Series 2005$\underline{6}$ A Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

B. For the purposes of paying the principal balance of the Series 2003 B Notes, permanently financing certain sinking fund and debt service reserve account arrearages, funding the Series 2005$\underline{6}$ B Bonds Reserve Account and paying costs of issuance of the Series 2005$\underline{6}$ B Bonds and related costs, there shall be issued the Series 2005$\underline{6}$ B Bonds

of the Issuer, in an aggregate principal amount of not more than $2,750,000. The Series 2005$\underline{6}$ B Bonds shall be designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2005$\underline{6}$ B (Taxable)" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2005$\underline{6}$ B Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2005$\underline{6}$ B Bonds shall be numbered from BR-1 consecutively upward. The Series 2005$\underline{6}$ B Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

C. For the purposes of refunding the Series 1993 Bonds, funding the Series 2005$\underline{6}$ C Bonds Reserve Account and paying costs of issuance of the Series 2005$\underline{6}$ C Bonds and related costs, there shall be issued, if and when issued, the Series 2005$\underline{6}$ C Bonds of the Issuer, in an aggregate principal amount of not more than $7,000,000. The Series 2005$\underline{6}$ C Bonds shall be designated "The City of Huntington (West Virginia) Sewer Refunding Revenue Bonds, Series 2005$\underline{6}$ C" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2005$\underline{6}$ C Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2005$\underline{6}$ C Bonds shall be numbered from CR-1 consecutively upward. The Series 2005$\underline{6}$ C Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

D. Following enactment of this Ordinance, the Issuer may determine that it is not in the best interest of its residents or users of the System to issue the Series 2005$\underline{6}$ C Bonds authorized by this Ordinance, or the Issuer may determine that it is in the best interest of its residents and users of the System to issue the three series of Series 2005$\underline{6}$ Bonds authorized by this Ordinance at separate times and not simultaneously with one another.

Section 3.11. Book Entry System for Series 2005$\underline{6}$ Bonds. The Series 2005$\underline{6}$ A Bonds, the Series 2005$\underline{6}$ B Bonds, and the Series 2005$\underline{6}$ C Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2005$\underline{6}$ A Bonds, the Series 2005$\underline{6}$ B Bonds and the Series 2005$\underline{6}$ C Bonds, respectively, of each maturity, and shall be registered in the name of Cede & Co., as nominee of DTC. Notwithstanding anything herein to the contrary contained, so long as the Series 2005$\underline{6}$ A Bonds, Series 2005$\underline{6}$ B Bonds and Series 2005$\underline{6}$ C Bonds are so issued and

registered, DTC (or its nominee) shall be treated as the sole Registered Owner for all purposes hereunder. Each Bond shall bear a legend substantially to the following effect "Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this certificate is presented by an authorized representative of DTC, to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein."

With respect to Series 2005G Bonds registered in the records of the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent shall have no responsibility or obligation to any other participant in DTC or to any Person on behalf of whom such a participant in DTC holds a beneficial interest in the Series 2005G Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any other participant in DTC with respect to any beneficial ownership interest in any Bond, (ii) the delivery to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any notice with respect to any Series 2005G Bonds, including without limitation any notice of redemption, tender, purchase or any event which would or could give rise to a tender or purchase right or option with respect to any Bond, (iii) the payment to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any amount with respect to principal of, premium, if any, or interest on, any Bond, or (iv) any consent given by DTC as Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent shall be entitled to treat and consider the Person in whose name each Bond is registered in the records of the Registrar as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption, sale, purchase or any event which would or could give rise to a sale or purchase right or option with respect to any Bond for the purpose of making payment of any purchase price of such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Issuer and Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2005G Bonds and the purchase price of any Bond only to or upon the order of the respective Registered Owners, as shown in the records of the Registrar as provided in this Ordinance, or their respective attorneys or legal representatives duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2005G Bonds to the extent of the sum or sums so paid. No Person other than a Registered Owner, as shown in the records of the Registrar, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to this Ordinance.

The Registered Owners have no right to a depository for the Series 2005$\underline{6}$ Bonds. The Issuer may remove DTC or any successor thereto for any reason at any time. In such event or in the event DTC shall notify the Issuer that DTC is discontinuing its book-entry system for the Series 2005$\underline{6}$ Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act, notify DTC of the appointment of such successor securities depository and transfer one or more separate Bond certificates to such successor securities depository or (ii) notify DTC of the availability through the DTC of Bond certificates and transfer one or more separate Bond certificates to other participants or beneficial owners as DTC may direct. In such event, the Series 2005$\underline{6}$ Bonds shall no longer be restricted to being registered in the records of the Registrar in the name of Cede & Co., as nominee, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names other participants in DTC receiving Series 2005$\underline{6}$ Bonds shall designate, in accordance with the provisions of this Ordinance. The provisions of this Section applicable to DTC shall apply, mutatis mutandis, to any successor depository performing the same functions hereunder as DTC.

The Issuer represents hereby that it has executed a Letter of Representations, the terms of which are applicable to the issuance of the Series 2005$\underline{6}$ Bonds hereunder. Such Letter of Representations is for the purpose of effectuating the Book-Entry Only System only and shall not be deemed to amend, supersede or supplement the terms of this Ordinance which are intended to be complete without reference to the Letter of Representations. In the event of any conflict between the terms of the Letter of Representations and the terms of this Ordinance, the terms of this Ordinance shall control. DTC may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 3.12. Delivery of Series 2005$\underline{6}$ Bonds. The Issuer shall execute and deliver the Series 2005$\underline{6}$ Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2005$\underline{6}$ Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2005$\underline{6}$ 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 Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2005$\underline{6}$ Bonds to DTC for the benefit of the Original Purchaser;

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

(D) The unqualified approving opinion of Bond Counsel regarding the Series 20056 Bonds; and

(E) A copy of such other documents and certificates as the Original Purchaser may reasonably require.

Section 3.13. Form of Series 20056 Bonds. A. The definitive Series 20056 A Bonds shall be in substantially the form set forth in EXHIBIT A - SERIES 20056 A BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 20056 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 20056 A Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

B. The definitive Series 20056 B Bonds shall be in substantially the form set forth in EXHIBIT B - SERIES 20056 B BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 20056 B Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 20056 B Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

C. The definitive ~~Series 2005 B~~Series 2006 C Bonds shall be in substantially the form set forth in EXHIBIT C - SERIES 20056 C BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 20056 C Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 20056 C Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 20056 A Bonds. Upon the issuance and delivery of the Series 20056 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on Series 20056 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 20056 A Bonds Sinking Fund and applied to payment of interest on the Series 20056 A Bonds at the first interest payment date.

B. An amount of the proceeds of the Series 2005-6 A Bonds which~~, together with other monies of the Issuer,~~ shall be sufficient to accomplish the payment of the outstanding principal balance and defeasance of the Series 2003 A Notes, which amount shall

be ~~remitted to the Bond Commission for deposit in the Series 2003 A Notes Payment Fund established by the Series 2003 Ordinance.~~
set forth in the 2003 Prepayment Agreement, shall be deposited in the 2003 Prepayment Fund.

C. The amount of Series 2005~~6~~ A Bonds Proceeds equal to the Series 2005~~6~~ A Bonds Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Series 2005~~6~~ A Bonds Reserve Account, provided that, to the extent the Series 2005~~6~~ A Bonds Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the ~~Prior~~Series 2003 Ordinances for the applicable series of Bonds, Series 2005~~6~~ A Bond Proceeds shall be deposited in the Series 2005~~6~~ A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2005~~6~~ A Bonds Reserve Account Requirement.

D. The balance of the proceeds of the Series 2005~~6~~ A Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2005~~6~~ A Bonds at the written direction of the Issuer. Moneys 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 90 days of the Closing Date, such unapplied proceeds shall be transferred by the Issuer and deposited in the Series 2005~~6~~ A Bonds Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 2005~~6~~ A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the Series 2005~~6~~ A Bonds from which such proceeds are derived.

Section 3.15. Disposition of Proceeds of Series 2005~~6~~ B Bonds. Upon the issuance and delivery of the Series 2005~~6~~ B Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on Series 2005~~6~~ B Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2005~~6~~ B Bonds Sinking Fund and applied to payment of interest on the Series 2005~~6~~ B Bonds at the first interest payment date.

B. An amount of the proceeds of the Series 2005~~6~~ B Bonds which shall be sufficient to accomplish the payment of the outstanding principal balance and defeasance of the Series 2003 B Notes, which amount shall be ~~remitted to the Bond Commission for deposit in the Series 2003 B Notes Payment Fund established by the Series 2003 Ordinance~~set forth in the 2003 Prepayment Agreement, shall be deposited in the 2003 Prepayment Fund.

C. The amount of Series 2005~~6~~ B Bonds Proceeds equal to the Series 2005~~6~~ B Bonds Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Series 2005~~6~~ B Bonds Reserve Account, provided that, to the

extent the Series 20056 B Bonds Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the ~~Prior~~Series 2003 Ordinances for the applicable series of Bonds, Series 20056 B Bond Proceeds shall be deposited in the Series 20056 B Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 20056 B Bonds Reserve Account Requirement.

D. The balance of the proceeds of the Series 20056 B Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 20056 B Bonds at the written direction of the Issuer. Moneys 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 90 days of the Closing Date, such unapplied proceeds shall be transferred by the Issuer and deposited in the Series 20056 B Bonds Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 20056 B Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the Series 20056 B Bonds from which such proceeds are derived.

Section 3.16. Disposition of Proceeds of Series 20056 C Bonds. Upon the issuance and delivery of the Series 20056 C Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on Series 20056 C Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 20056 C Bonds Sinking Fund and applied to payment of interest on the Series 20056 C Bonds at the first interest payment date.

B. An amount of the proceeds of the Series 20056 C Bonds, together with all moneys in the funds and accounts created by the Series 1993 Ordinance for the payment of the Series 1993 Bonds, sufficient to accomplish the refunding and defeasance of Series 1993 Bonds, which amount shall be set forth in the 1993 Prepayment Agreement, shall be deposited in the 1993 Prepayment Fund.

C. The amount of Series 20056 C Bonds Proceeds equal to the Series 20056 C Bonds Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Series 20056 C Bonds Reserve Account, provided that, to the extent the Series 20056 C Bonds Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the Prior Ordinances for the applicable series of Bonds, Series 20056 C Bond Proceeds shall be deposited in the Series 20056 C Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 20056 C Bonds Reserve Account Requirement.

D. The balance of the proceeds of the Series 20056 C Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out,

used and applied by the Issuer solely to pay costs of issuance of the Series 2005$\underline{6}$ C Bonds and miscellaneous costs of refunding the Series 1993 Bonds at the written direction of the Issuer. Moneys not to be applied immediately to pay such costs of issuance and refunding 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 90 days of the Closing Date, such unapplied proceeds shall be transferred by the Issuer and deposited in the Series 2005$\underline{6}$ C Bonds Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 2005$\underline{6}$ C Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the Series 2005$\underline{6}$ C Bonds from which such proceeds are derived.

Section 3.17. Designation of Bonds as "Qualified Tax-Exempt Obligations". The Issuer hereby designates the Series 2005$\underline{6}$ A Bonds and Series 2005$\underline{6}$ C Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2005$\underline{6}$ A Bonds and the Series 2005$\underline{6}$ C Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2005$\underline{6}$ A Bonds and the Series 2005$\underline{6}$ C Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2005$\underline{6}$.

ARTICLE IV

SYSTEM REVENUES; FUNDS AND ACCOUNTS

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

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

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

(3) Costs of Issuance Fund; ~~and~~

~~(4) Rebate Fund;~~

(4) Operation and Maintenance Surcharge Account (previously established when the Surcharge was implemented);

(5) Rebate Fund;

(6) 2003 Prepayment Fund; and

(7) When the Series 2006 C Bonds are issued, the 1993 Prepayment Fund.

Moneys in such Funds and Subaccounts, may be commingled and aggregated by the Depository Bank if so directed by the Issuer, for purposes of investment of such funds, but separate accounting shall be maintained for each such fund.

Section 4.02. Establishment of Funds and Accounts with Bond ~~Commission. Pursuant~~ Commission in addition to Funds and Accounts created by the Prior Ordinances. In addition to the funds and accounts created by the Prior Ordinances, pursuant to this Article IV, the following special funds and accounts are hereby established (or continued if previously established by the Prior Ordinances), with and shall be held by the Bond Commission:

(1) ~~Series 1997 Bonds Sinking Fund (established by the Series 1997 Ordinance);~~

~~(a) Within the Series 1997 Bonds Sinking Fund, the Series 1997 Bonds Reserve Account.~~

~~(2) Series 1999 Bonds Sinking Fund (established by the Series 1999 Ordinance);~~

~~(a) Within the Series 1999 Bonds Sinking Fund, the Series 1999 Bonds Reserve Account.~~

~~(3) Series 2000 A~~Series 2006 A Bonds Sinking Fund ~~(established by the Series 2000 A Ordinance);~~

~~(a) Within the Series 2000 A Bonds Sinking Fund, the Series 2000 A;~~

(a) the Series 2006 A Bonds Reserve Account.

~~(4) Series 2005 A Bonds Sinking Fund;~~; and

~~(a)~~(b) Within the ~~Series 2005 A~~Series 2006 A Bonds Sinking Fund, the ~~Series 2005 A Bonds Reserve Account; and~~

~~(b) Within the Series 2005 A Bonds Sinking Fund, the Series 2005 A Bonds Redemption~~Series 2006 A Bonds Redemption Account.

(5~~2~~) Series 2005~~6~~ B Bonds Sinking Fund; and

(a) Within the Series 2005~~6~~ B Bonds Sinking Fund, the Series 2005~~6~~ B Bonds Reserve Account; and

(b) Within the Series 2005~~6~~ B Bonds Sinking Fund, the Series 2005~~6~~ B Bonds Redemption Account.

(6~~3~~) Series 2005~~6~~ C Bonds Sinking Fund~~; and~~.

(a) Within the Series 2005~~6~~ C Bonds Sinking Fund, the Series 2005~~6~~ C Bonds Reserve Account; and

(b) Within the Series 2005~~6~~ C Bonds Sinking Fund, the Series 2005~~6~~ C Bonds Redemption Account.

~~(7) Prepayment Fund.~~

In addition to the foregoing funds and accounts established or continued in this Section 4.01, Section 4.02, and ~~Section 4~~Section 4.01~~3~~, the Issuer may establish such other funds and accounts as it may deem appropriate for any particular series of Bonds by provision therefor in a Supplemental Resolution.

Section 4.03. Surcharges and Application Thereof.

(1) The Issuer shall, on the first day of each month, transfer from the Revenue Fund and deposit in the Operation and Maintenance Surcharge Account, the surcharges collected for the month;

(a) The Issuer shall next, on the first day of each month, transfer from the Operation and Maintenance Surcharge Account to the Commission, commencing 7 months prior to the first interest payment date of the Series 2006 B Bonds, for deposit in the Series 2006 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2006 B Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2006 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2006 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2006 B Bonds deposited therein;

(b) The Issuer shall next, on the first day of each month, transfer from the Operation and Maintenance Surcharge Account to the Commission, commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2006 B Bonds, for deposit in the Series 2006 B Bonds Sinking Fund and in the Series 2006 B Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2006 B Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2006 B Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date; and

(c) The Issuer shall next, on the first day of each month, transfer from the Operation and Maintenance Surcharge Account to the Commission, for deposit in the Series 2006 B Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2006 B Bonds Reserve Account below the Series 2006 B Bonds Reserve Requirement or any withdrawal from the Series 2006 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2006 B Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2006 B Bonds Reserve Account is less than the Series 2006 B Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2006 B Bonds Reserve Account for deposit into the Series 2006 B Bonds Sinking Fund.

Moneys in the Series 2006 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2006 B Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2006 B Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2006 B Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Series 2006 B Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2006 B Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2006 B Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

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Amounts in the Series 20056 B Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 20056 B Bonds when due, when amounts in the Series 20056 B Bonds Sinking Fund are insufficient therefor and for no other purpose.

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Principal and interest payments, and any payments made from the Surcharge for the purpose of funding the Series 2006 B Bonds Reserve Account, shall be made on a parity basis and pro-rata, with respect to the Series 2006 B Bonds, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required hereby.

Additional provisions regarding the funds and accounts established for the Series 2006 B Bonds are further set forth in Section 4.03.

Section 4.034. System Revenues and Application Thereof. So long as any of the Series 20056 A Bonds and Series 2006 C Bonds, if issued, shall be Outstanding and unpaid, the Issuer covenants as follows:

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

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer, the amounts required by the Prior Ordinances and the Series 1993 Ordinance, respectively, to pay the interest on the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer; (ii) ~~commencing~~ commencing 7 months prior to the first interest payment date of the Series 20056 A Bonds, for deposit in the Series 20056 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 20056 A Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 20056 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 20056 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 20056 A Bonds deposited therein; and (iii) commencing 7 months prior to the first interest payment date of the ~~Series 2005 B Bonds, for deposit in the Series 2005 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2005 B Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2005 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2005 B Bonds Sinking Fund shall be reduced by the amount of~~

~~accrued interest on the Series 2005 B Bonds deposited therein; (iv) commencing 7 months prior to the first interest payment date of the Series 2005 C~~Series 2006 C Bonds, for deposit in the Series 2005~~6~~ C Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2005~~6~~ C Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2005~~6~~ C Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2005~~6~~ C Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2005~~6~~ C Bonds deposited therein.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer, the amounts required by the Prior Ordinances and the Series 1993 Ordinance, respectively, to pay the principal of the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer; (ii) ~~commencing~~ commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2005~~6~~ A Bonds, for deposit in the Series 2005~~6~~ A Bonds Sinking Fund and in the Series 2005~~6~~ A Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2005~~6~~ A Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the ~~Series 2005 A Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date; (iii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2005 B Bonds, for deposit in the Series 2005 B Bonds Sinking Fund and in the Series 2005 B Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2005 B Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2005 B~~Series 2006 A Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly

payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date; and (~~iv~~ii) ~~commencing~~ commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2005~~6~~ C Bonds, for deposit in the Series 2005~~6~~ C Bonds Sinking Fund and in the Series 2005~~6~~ C Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2005~~6~~ C Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2005~~6~~ C Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

~~Moneys in the Series 2005 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2005 A Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2005 A Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2005 A Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.~~

~~Moneys in the Series 2005 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2005 B Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2005 B Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2005 B Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.~~

~~Moneys in the Series 2005 C Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2005 C Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2005 C Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2005 C Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.~~

~~The Issuer shall not be required to make any further payments into the Series 2005 A Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2005 A Bonds Reserve Account therein, is at least~~

~~equal to the aggregate principal amount of Series 2005 A Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.~~

~~The Issuer shall not be required to make any further payments into the Series 2005 B Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2005 B Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2005 B Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.~~

~~The Issuer shall not be required to make any further payments into the Series 2005 C Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2005 C Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2005 C Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.~~

~~As and when additional Bonds ranking on a parity with the Series 2005 Bonds are issued, provision shall be made for additional deposits into the respective Series 2005 Bonds Reserve Account sufficient to maintain the respective Series 2005 Bonds Reserve Account Requirement for each series of Series 2005 Bonds in accordance with the provisions hereof.~~

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~~(4~~(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Reserve Accounts of the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer, the amount required by the Prior Ordinances and the Series 1993 Ordinance; (ii) for deposit in the Series 2005~~6~~ A Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2005~~6~~ A Bonds Reserve Account below the Series 2005~~6~~ A Bonds Reserve Requirement or any withdrawal from the Series 2005 ~~A~~6 C Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2005~~6~~ A Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2005~~6~~ A Bonds Reserve Account is less than the Series 2005~~6~~ A Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2005~~6~~ A Bonds Reserve Account for deposit into the ~~Series 2005 A Bonds Sinking Fund; (iii) for deposit in the Series 2005 B Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2005 B Bonds Reserve Account below the Series 2005 B Bonds Reserve Requirement or any withdrawal from~~

~~the Series 2005 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2005 B Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2005 B Bonds Reserve Account is less than the Series 2005 B Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2005 B Bonds Reserve Account for deposit into the Series 2005 B Bonds Sinking Fund, and (iv) for deposit in the Series 2005 C Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2005 C Bonds Reserve Account below the Series 2005 C Bonds Reserve Requirement or any withdrawal from the Series 2005 C Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2005 C Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2005 C Bonds Reserve Account is less than the Series 2005 C Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2005 C Bonds Reserve Account for deposit into the Series 2005 C~~Series 2006 A Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the ~~respective~~ Series 2005~~6~~ A Bonds Reserve Account to an amount equal to the ~~respective~~ Series 2005~~6~~ A Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the ~~respective~~ Series 2005~~6~~ A Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the respective Series 2005~~6~~ A Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the ~~respective~~ Series 2005~~6~~ A Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the ~~respective~~ Series 2005~~6~~ A Bonds Reserve Requirement.

~~Amounts~~; and (iii) for deposit in the Series 2005~~ A~~6 C Bonds Reserve Account ~~shall be used only for the purpose of making payments of principal of and interest on the Series 2005 A Bonds when due, when amounts in the Series 2005 A Bonds Sinking Fund are insufficient therefor and for no other purpose.~~

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~~Amounts in the Series 2005~~, an amount sufficient to remedy any decrease in value of the Series 2006 C Bonds Reserve Account ~~shall be used only for the purpose of making payments of principal of and interest on the~~

~~Series 2005 C Bonds when due, when amounts~~below the Series 2006 C Bonds Reserve Requirement or any withdrawal from the Series 2006 C Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the ~~Series 2005~~Series 2006 C Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2006 C Bonds Reserve Account is less than the Series 2006 C Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2006 C Bonds Reserve Account for deposit into the Series 2006 C Bonds Sinking Fund ~~are insufficient therefor and for no other purpose.~~

. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2006 C Bonds Reserve Account to an amount equal to the Series 2006 C Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2006 C Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2006 C Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2006 C Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2006 C Bonds Reserve Requirement

(5) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Depreciation Fund a sum equal to not less than 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.

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(6) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

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

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Moneys in the Series 2006 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2006 A Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2006 A Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2006 A Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.

Moneys in the Series 2006 C Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2006 C Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2006 C Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2006 C Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Series 2006 A Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2006 A Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2006 A Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

The Issuer shall not be required to make any further payments into the Series 2006 C Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2006 C Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2006 C Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

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The payments into each of the respective Series 20056 Bonds Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

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Amounts in the Series 2006 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2006 A Bonds when due, when amounts in the Series 2006 A Bonds Sinking Fund are insufficient therefor and for no other purpose.

Amounts in the Series 2006 C Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2006 C Bonds

when due, when amounts in the Series 2006 C Bonds Sinking Fund are insufficient therefor and for no other purpose.

Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes and in the following order of priority for the Prior Bonds, the Series 2006 A Bonds and the Series 2006 C Bonds:

(a) To make up any deficiency in any Reserve Account (so that the amount on deposit therein is at least equal to the applicable Reserve Account Requirement);

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Funds (including the Reserve Accounts); and

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System.

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

C. If on any monthly payment date the Surcharge or the Net Revenues, as applicable, are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.~~03~~04 and the Surcharge and the Net Revenues, as applicable, shall be applied to such deficiencies before being applied to any other payments hereunder.

D. Principal and interest payments, and any payments made from the Net Revenues for the purpose of funding the Prior Bonds, the Series 2006 A Bonds and Series

2006 C Reserve Accounts, shall be made on a parity basis and pro-rata, with respect to the Prior Bonds, the Series 2006 A Bonds, the Series 2006 C Bonds, or, the Series 1993 Bonds, if not refunded by the Issuer, ~~the Series 2005 Bonds~~ and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required hereby.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES AND CONTINUING DISCLOSURE AGREEMENT

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

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

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Depreciation Fund or any Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 3 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to, semiannually transfer from each Reserve Account to the corresponding Sinking Fund any earnings on the moneys deposited therein and any other funds in excess of the applicable Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in each Reserve Account an amount at least equal to the applicable Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from a Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in a Reserve Account shall, at any time, be less than the applicable Reserve Requirement, the applicable Bond Insurer, if any, shall be notified

immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the applicable 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 Bonds 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 moneys deposited in any Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia ~~State~~ Board of Treasury Investments pursuant to Chapter 12, Article 6(c) of the Code of West Virginia, 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2005~~6~~ A Bonds and the Series 2005~~6~~ C Bonds in such manner and to such extent as may be necessary, so that such Series 2005~~6~~ A Bonds and Series 2005~~6~~ C 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 2005~~6~~ A Bonds and the Series 2005~~6~~ C Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate, Rebates and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2005~~6~~ A Bonds and Series 2005~~6~~ C Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the

contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be 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 Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 5.04. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2005~~6~~ Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2005~~6~~ Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2005~~6~~ Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Series 2005~~6~~ Bonds shall not be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Surcharge or Net Revenues, as applicable, of the System, the moneys in the respective Series 2005~~6~~ Bonds Sinking Funds and the respective Series 2005~~6~~ Bonds Reserve Accounts therein and the unexpended proceeds of the Series 2005~~6~~ Bonds, all as herein provided. No Holder or Holders of the Series 2005~~6~~ Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2005~~6~~ Bonds or the interest thereon.

Section 6.03. Series 2006 B Bonds Secured by Pledge of Surcharge. The payment of the debt service of all of the Series 2006 B Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Surcharge derived from the System and all moneys in the Series 2006 B Bonds Sinking Funds, including the Series 2006 B Bonds Reserve Account therein. The Surcharge derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2006 B Bonds and to make the payments into all funds and accounts and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Series 2006 B Bonds as the same become due and for the other purposes provided in this Ordinance.

Section 6.0~~3~~4. Series 2006 A Bonds and Series 2006 C Bonds Secured by Parity Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all of the Series 2006 A Bonds and Series 2005~~6~~ C Bonds issued hereunder 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 lien on the Net Revenues in favor of the Holders of the Outstanding Prior Bonds~~ and the Series 1993 Bonds, if not refunded by the Issuer~~, and all moneys in the ~~respective Series 2005~~Series 2006 A Bonds Sinking ~~Funds~~Fund and Series 2006 C Bonds Sinking Fund, including the ~~Series 2005~~Series 2006 A Bonds Reserve ~~Accounts~~Account therein and the Series 2006 C Bonds Reserve

Account therein. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Outstanding Prior Bonds, and the ~~Series 1993~~Series 2006 A Bonds~~, if not refunded by the Issuer,~~ and ~~the~~ Series 2005~~6~~ C Bonds and to make the payments into all funds and accounts and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Outstanding Prior Bonds, and the ~~Series 1993~~Series 2006 A Bonds~~, if not refunded by the Issuer,~~ and the Series 2005~~6~~ C Bonds as the same become due and for the other purposes provided in this Ordinance.

~~Section 6.04~~

Section 6.05. Surcharge. The Issuer hereby covenants that it will keep the surcharge in effect until the Series 2006 B Bonds are paid in full pursuant to the Commission Order of the Public Service Commission of West Virginia in Case No. 04-0949-S-MA.

Section 6.06. Rates. Prior to the issuance of the Series 2006 A Bondsa and Series 20056 C Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that (i) so long as the Series 1993 Bonds are Outstanding, the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, ~~so long as the Series 1993 Bonds are Outstanding,~~ and thereafter 115% of such amount; provided that, in the event the Series 1993 Bonds are no longer outstanding and an amount equal to or in excess of the respective Prior Bonds' Reserve Account Requirements and the Series 2006 A Bonds Reserve Account Requirement are on deposit in the respective Prior Bonds' Reserve Accounts and the Series 2006 A Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Prior Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

Section 6.057. Operation and Maintenance. The Issuer will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the Net Revenues of said System in the manner provided in this Ordinance.

Section 6.068. Sale of the System. So long as the Prior Bonds ~~and~~, the Series 2006 A Bonds, Series 2006 C Bonds, or the Series 1993 Bonds, if not refunded by the Issuer, are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in this Ordinance, and the Prior Ordinances ~~and the~~

~~Series 1993 Ordinance~~. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Issuer shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Issuer shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund or the Depreciation Account shall reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $200,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.09. Issuance of Other Obligations Payable Out of Surcharge of the System. The Issuer shall not issue any other obligations whatsoever payable from the Surcharge of the System. The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge upon the Surcharge of the System pledged for payment of the Bonds and the interest thereon in this Ordinance.

Section 6.0710. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except additional parity Bonds provided for in Section 6.0811 hereof, payable from the Net Revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Net Revenues with the Bonds; and all obligations hereafter issued by the Issuer payable from the revenues of the System, except such additional Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Bonds.

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

Section 6.0811. Additional Parity Bonds Payable Out of the Net Revenues of the System. So long as the Prior Bonds ~~and~~, or the Series 1993 Bonds, if not refunded by the Issuer, are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances and the Series 1993 Ordinance shall be applicable. No additional parity Bonds, as in this section defined, payable out of the Net Revenues of the System shall be issued after the issuance of ~~any~~the Series 2006 A Bonds and Series 2006 C Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived, from the System during the 12 consecutive months in the 18 months immediately preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall, so long as any of the Series 1993 Bonds are outstanding, not be less than 120% of the Maximum Annual Debt Service, and thereafter, shall not be less than 115% of the Maximum Annual Debt Service, on the following:

(1) The Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer, then Outstanding;

(2) The Series 2006 A Bonds and Series 20056 C Bonds then Outstanding;

(3) Any additional parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(4) The additional parity Bonds then proposed to be issued.

The "increased annual Net Revenues expected to be received" as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the Clerk of the Issuer prior to the issuance of such additional parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The term "additional parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Series 2006 A Bonds and Series 20056 C Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2006 A and Series 20056 C Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

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

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided

for in this Ordinance on account of the Bonds then Outstanding, if any (excluding the Depreciation Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the additional parity Bonds.

Section 6.0912. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the time of war the Issuer will also carry and maintain insurance to the extent available against risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repairs and restoration of the damaged and destroyed properties or for the other purposes provided herein for the Depreciation Fund.

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

C. WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

D. FLOOD INSURANCE, to extent available at reasonable cost to the Issuer.

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

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

Section 6.10. ~~Reserved.~~

~~Section 6.11~~3. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by its System; and, in the event the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.12~~4~~. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

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

Section 6.13~~5~~. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.14~~6~~. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds shall have the right at all

reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 120 days following the end of each Fiscal Year containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The Issuer shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, a monthly unaudited report within 30 days following the end of each month containing the following:

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

(B) A statement of account balances in the Sinking Fund accounts provided for in this Ordinance and status of said funds.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Holder or Holders of Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.157. Operating Budget. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by its charter or the charter of the Issuer, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation

and maintenance of the System at all reasonable times to the Original Purchaser and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.168. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2005 A Bonds and the Series 2004 C 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 Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the 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 2005 A Bonds and the Series 2005 C Bonds during the terms 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 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 2005 A Bonds and Series 2005 C 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 2005 A Bonds or Series 2005 C Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2005 A Bonds or the Series 2005 C Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2005 A Bonds or the Series 2005 C Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2005 A Bonds and the Series 2005 C Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2005~~6~~ A Bonds and the Series 2005~~6~~ C Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.1~~7~~9. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer intends to obtain a Municipal Bond Insurance Policy for the Series 2005~~6~~ C Bonds from the Bond Insurer. Certain additional covenants of the Issuer, which shall be set forth in full in the Supplemental Resolution, are required by the Bond Insurer as a condition to insuring the Series 2005~~6~~ C Bonds, shall apply to the Series 2005~~6~~ C Bonds and any other Bonds which may be insured by the Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default With Respect to the Series 2006 A Bonds and Series 2006 C Bonds. Each of the following events shall constitute an "Event of Default" with respect to the ~~Series 2005 Bonds~~Series 2006 A Bonds and Series 2006 C Bonds:

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

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

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

(D) If the Issuer defaults on the Prior Bonds or the Series 1993 Bonds, if not refunded by the Issuer, or the Prior Ordinances or the Series 1993 Ordinance, if the Series 1993 Bonds are not refunded by the Issuer pursuant to this Ordinance.

Section 7.02. ~~Enforcement~~Events of Default With Respect to the Series 2006 B Bonds. Each of the following events shall constitute an "Event of Default" with respect to the Series 2006 B Bonds:

(A) If default by the Issuer occurs in the due and punctual payment of the principal of or interest on the Series 2006 B Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Series 2006 B Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the Bondholder of the Series 2006 B Bonds or any Insurer; or

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

Section 7.03. Enforcement With Respect to the Series 2006 A Bonds and Series 2006 C Bonds. For purposes of this Section, any reference to Bondholder shall only include the Bondholders of the Prior Bonds, the Series 2006 A Bonds and the Series 2006 C Bonds. Upon the happening and continuance of any Event of Default as more fully defined and described in Section 7.01 hereof, any Bondholder or any Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

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

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

(C) Bring suit upon the Bonds;

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

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

———No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute.

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

———No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.04. Enforcement Regarding Series 2006 B Bonds. For purposes of this Section, any reference to Bondholder shall only include the Bondholder of the Series 2006 B Bonds. Upon the happening and continuance of any Event of Default as more fully defined and described in Section 7.02 hereof, the Bondholder of the Series 2006 B Bonds

may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

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

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

(C) Bring suit upon the Series 2006 B Bonds;

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

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

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute.

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

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.035. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate, maintain, manage and control such facilities, and each and every part thereof,

and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

———Whenever all that is due upon the Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the 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 Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

———Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

———Section 7.046. Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions

and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR, PAYING AGENT AND DEPOSITORY BANK

———Section 8.01. Appointment of Registrar, Paying Agent and Depository Bank. The Registrar, Paying Agent and Depository Bank (collectively, the "Fiduciaries") for the Series 20056 Bonds shall be appointed pursuant to the Supplemental Resolution. The City Manager of the Issuer is hereby authorized and directed to enter into an agreement with the Fiduciaries, the substantial form of which agreement is to be approved by Supplemental Resolution.

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

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

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

———Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds Outstanding.

———Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately.

———Section 8.07. Removal. The Registrar may be removed at any time by the Issuer or by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

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

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

———Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

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

———Section 8.12. Paying Agent and Depository Bank. The Registrar shall also serve as the Paying Agent and Depository Bank. The Registrar's acceptance of the duties and responsibilities of the Registrar expressed in Section 8.02 shall also include the trusts and the duties of Paying Agent and Depository Bank. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-eligible.

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

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

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

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

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

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

———Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Net Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

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

ARTICLE X

MISCELLANEOUS

———Section 10.01. Amendment of Ordinance. This Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, solely for the purpose of maintaining the tax-exempt status of the Bonds, provided that, in the event any of the Bonds are insured, no such amendment or modification which adversely affects the security for such Bonds or the rights of the applicable Bond Insurer for such Bonds may be effected without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Bonds then Outstanding and affected thereby and the Bond Insurer, which must be filed with the Clerk of the Issuer before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Bonds required for consent to any such modification or amendment.

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

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

———B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a

vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

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

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

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

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

———Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the Issuer. If any of said Bonds is a coupon Bond, the Registrar or said Paying Agent shall also publish such notice, not less than 30 days prior to the date such moneys will be returned to the Issuer, in an Authorized Newspaper.

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

———CITY

———The City of Huntington
———City Hall
———Post Office Box 1659
———Huntington, West Virginia 25717
———Attention: Chairman, Sanitary Board

———REGISTRAR AND PAYING AGENT

———[Name and address
——— to be set forth in the
——— Supplemental Resolution]

———DEPOSITORY BANK

———[Name and address
——— to be set forth in the
——— Supplemental Resolution]

———ORIGINAL PURCHASER

———Ross, Sinclaire & Associates, Inc.
———400 Democrat Drive
———Frankfort, Kentucky 40601

———BOND INSURER

———[Name and address
——— to be set forth in the
——— Supplemental Resolution]

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

———Section 10.07. No Personal Liability. No member of the Council or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any

such member, official or employee from the performance of any official duty provided by law or this Ordinance.

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

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

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

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

———Section 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed, provided however, that the Prior Ordinances and the Series 1993 Ordinance shall remain in full force and effect so long as any of the Prior Bonds or Series 1993 Bonds, if not refunded by the Issuer, are Outstanding.

———Section 10.13. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the Council were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

———Section 10.14. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in The Herald Dispatch , a newspaper published and having a general

circulation in The City of Huntington, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds described in this Ordinance and that any person interested may appear before the Council of the Issuer at the public hearing to be had at a public meeting of the Council on January 10, 2005~~6~~, at ~~_____~~p7:30 p.m., in the meeting room of the Council in the City Hall of The City of Huntington and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

~~———~~First Reading: December 13, 2004

~~———~~Second Reading: December 17, 2004

~~———~~Passed on Final Reading
~~———~~ Following Public
~~———~~ Hearing: January 10, 2005

~~———~~Section 10.1~~4~~5. Effective Date. This Ordinance shall take effect immediately upon enactment.

———Enacted this 10th day of January, 2005.

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATION

———Certified a true, correct and complete copy of an Ordinance duly enacted by the Council of THE CITY OF HUNTINGTON at a regular meeting of the Council held at ———p7:30 p.m., on January 10, 2005, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in The City of Huntington, the first publication having been not less than 10 days prior to such public hearing.

———Dated this _____ day of ———September, 20056.

[SEAL]

———City Clerk

EXHIBIT A - SERIES 20056 A BOND FORM

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 20056 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

——KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any

Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

———Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in _____, West Virginia.

———This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2005~~6~~ A" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 2005~~6~~, the proceeds of which are to be used (i) to pay the outstanding principal balance of The City of Huntington Sewerage System Bond Anticipation Notes, Series 2003 A (Tax-Exempt), currently outstanding in the aggregate principal amount of $_____ (the "Series 2003 A Notes"), which Series 2003 A Notes were issued to temporarily finance the cost of construction of certain additions, betterments and improvements to the public municipal sewerage system of the Issuer; (ii) to fund a reserve account for the Series 2005~~6~~ A Bonds; and (iii) to pay costs of issuance of the Series 2005~~6~~ A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on ~~January 10~~_____, 2005~~6~~, and supplemented by a supplemental resolution adopted by said Council on ~~January 10~~_____, 2005~~6~~ (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended

and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Huntington, West Virginia.

———The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

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

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to annual mandatory redemption prior to maturity by random selection on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing

Year ( )	Principal Amount

Bonds Maturing

Year ( )	Principal Amount

* Final Maturity

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

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

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

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING SEWERAGE SYSTEM REFUNDING REVENUE BONDS, ~~SERIES 1993~~SERIES 1993, DATED NOVEMBER 18, 1993, ~~IF NOT REFUNDED BY THE ISSUER PURSUANT TO THE ORDINANCE (THE "SERIES 1993 BONDS"~~ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,100,000 (THE "SERIES 1993 BONDS"), SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"), SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550 (THE "SERIES 1999 BONDS"), SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 A BONDS" AND TOGETHER WITH THE SERIES 1997 BONDS ~~AND~~, THE SERIES 1999 BONDS~~,~~ AND THE SERIES 1993 BONDS ARE COLLECTIVELY REFERRED TO HEREIN AS THE "PRIOR BONDS"), ~~SEWER REVENUE BONDS, SERIES 2005 B (TAXABLE), TO BE ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2005 B BONDS"), SEWER REFUNDING REVENUE BONDS, SERIES 2005 C, TO BE ISSUED, IF AND WHEN ISSUED, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2005 C BONDS" AND TOGETHER WITH THE SERIES 2005 B BONDS, COLLECTIVELY REFERRED TO HEREIN AS THE "SERIES 2005 BONDS").~~

The Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, ~~the Series 1993 Bonds, if not refunded by the Issuer,~~ and the ~~Series 2005~~Series 2006 A Bonds~~,~~ and from moneys in the Series 2005~~6~~ A Bonds Sinking Fund and the Series 2005~~6~~ A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2005~~6~~ A Bonds Sinking Fund and the Series 2005~~6~~ A Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer ~~has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, the~~

~~Series 1993 Bonds, if not refunded by the Issuer, and the Series 2005 Bonds,~~hereby covenants and agrees that (i) so long as the ~~Series 1993 Bonds are outstanding~~Series 1993 Bonds are Outstanding, the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, and thereafter 115% of such amount; provided that, in the event the Series 1993 Bonds are no longer outstanding and an amount equal to or in excess of the respective Prior Bonds' Reserve Account Requirements and the Series 2006 A Bonds Reserve Account Requirement are on deposit in the respective Prior Bonds' Reserve Accounts and the Series 2006 A Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Prior Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay ~~costs to pay~~ the outstanding principal balance of the Series 2003 A Notes, fund a reserve account for the Bonds and pay all costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that ~~a sufficient amount of the Net Revenues~~Surcharge of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2006 A Bonds ~~of which this Bond is one~~.

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

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

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

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

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

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

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

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

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

EXHIBIT B - SERIES 20056 B BOND FORM

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 20056 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any

Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2005~~6~~ B" (Taxable) (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 2005~~6~~, the proceeds of which are to be used (i) to pay the outstanding principal balance of The City of Huntington Sewerage System Bond Anticipation Notes, Series 2003 B (Taxable), currently outstanding in the aggregate principal amount of $_____ (the "Series 2003 B Notes"), which Series 2003 B Notes were issued to temporarily finance sinking fund and debt service reserve account arrearages related to the Prior Bonds (as defined herein) and to reimburse the Issuer for expenditures previously made by the Issuer with respect to the Harveytown and Lawson Heights grant projects; (ii) to permanently finance sinking fund and debt service reserve account arrearages related to the Prior Bonds; (iii) to fund a reserve account for the Series 2005~~6~~ B Bonds; and (iv) to pay costs of issuance of the Series 2005~~6~~ B Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on ~~January 10~~_____, 2005~~6~~, and supplemented by a supplemental resolution adopted by said Council on ~~January 10~~_____, 2005~~6~~ (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such

bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Huntington, West Virginia.

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

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

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to annual mandatory redemption prior to maturity by random selection on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing

Year ( )	Principal Amount

Bonds Maturing

Year ( )	Principal Amount

* Final Maturity

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

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

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

~~THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 1, 1993, IF NOT REFUNDED BY THE ISSUER PURSUANT TO THE ORDINANCE (THE "SERIES 1993 BONDS"), SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"), SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550 (THE "SERIES 1999 BONDS"), SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 A BONDS" AND TOGETHER WITH THE SERIES 1997 BONDS AND THE SERIES 1999 BONDS, COLLECTIVELY REFERRED TO HEREIN AS THE "PRIOR BONDS"), SEWER REVENUE BONDS, SERIES 2005 A, TO BE ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2005 A BONDS"), AND SEWER REFUNDING REVENUE BONDS, SERIES 2005 C, TO BE ISSUED, IF AND WHEN ISSUED, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2005 C BONDS" AND TOGETHER WITH THE SERIES 2005 A BONDS, COLLECTIVELY REFERRED TO HEREIN AS THE "SERIES 2005 BONDS").~~

~~_____~~The Bonds and the interest thereon are payable only from and are secured by the ~~Net Revenues~~Surcharge on the System (as defined in the Ordinance) ~~to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, the Series 1993 Bonds, if not refunded by the Issuer, and the Series 2005 Bonds~~, and from moneys in the Series 2005~~6~~ B Bonds Sinking Fund and the Series 2005~~6~~ B Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such ~~Net Revenues~~Surcharge shall be sufficient to pay the principal of and interest on ~~all b~~the Series 2006 B Bonds ~~which may be issued pursuant to the Act~~ and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the ~~Net Revenues~~Surcharge, the moneys in the Series 2005~~6~~ B Bonds Sinking Fund and the Series 2005~~6~~ B Bonds Reserve Account and unexpended proceeds of the Bonds. ~~Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, the Series 1993 Bonds, if not refunded by the Issuer, and the Series 2005 Bonds, so long as the Series 1993 Bonds are outstanding, and thereafter 115%~~

~~of such amount.~~ The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay costs to pay the outstanding principal balance of the Series 2003 B Notes, ~~permanently finance sinking fund and debt service reserve account arrearages related to the Issuer's Prior Bonds,~~ fund a reserve account for the Bonds and pay all costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

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

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

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

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

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

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

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

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

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

EXHIBIT C - SERIES 20056 C BOND FORM

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REFUNDING REVENUE BOND, SERIES 20056 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any

Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Huntington (West Virginia) Sewer Refunding Revenue Bonds, Series 2005~~6~~ C" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 2005~~6~~, the proceeds of which are to be used (i) to refund The City of Huntington Sewerage System Refunding Revenue Bonds, Series 1993, currently outstanding in the aggregate principal amount of $_____ (the "Series 1993 Bonds"), which Series 1993 Bonds were issued to refinance the cost of construction of certain additions, betterments and improvements to the public municipal sewerage system of the Issuer; (ii) to fund a reserve account for the Series 2005~~6~~ C Bonds; and (iii) to pay costs of issuance of the Series 2005~~6~~ C Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on ~~January 10~~_____, 2005~~6~~, and supplemented by a supplemental resolution adopted by said Council on ~~January 10~~_____, 2005~~6~~ (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to

time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Huntington, West Virginia.

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

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

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to annual mandatory redemption prior to maturity by random selection on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing

Year ( )	Principal Amount

Bonds Maturing

Year ( )	Principal Amount

* Final Maturity

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

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

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

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"), SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550 (THE "SERIES 1999 BONDS"), SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 A BONDS"). SEWER REVENUE BONDS, SERIES 2006 A, DATED _____, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2006 A BONDS" AND TOGETHER WITH THE SERIES 1997 BONDS, THE SERIES 1999 BONDS AND THE SERIES ~~1999~~2000 BONDS, COLLECTIVELY REFERRED TO HEREIN AS THE "PRIOR BONDS"); ~~SEWER REVENUE BONDS, SERIES 2005 A, DATED _____, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2005 A BONDS"), AND SEWER REVENUE BONDS, SERIES 2005 B (TAXABLE), DATED _____, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2005 B BONDS" AND TOGETHER WITH THE SERIES 2005 A BONDS, COLLECTIVELY REFERRED TO HEREIN AS THE "SERIES 2005 BONDS").~~

The Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds and ~~the Series 2005 Bonds, and~~ from moneys in the Series 2005~~6~~ C Bonds Sinking Fund and the Series 2005~~6~~ C Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2005~~6~~ C Bonds Sinking Fund and the Series 2005~~6~~ C Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer ~~has~~hereby covenanted~~s~~ and ~~agreed to fix, establish and collect just and equitable~~agrees that (i) so long as the Series 1993 Bonds are Outstanding, the schedule or schedules of rates or charges ~~for the use of the services and facilities of the System and to revise the same~~ from time to time ~~as will always~~in effect shall be sufficient to ~~pay all operating expenses of the System and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues~~produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, and thereafter 115% of such amount; provided that, in the event the Series 1993 Bonds

are no longer outstanding and an amount equal to or in excess of the respective Prior Bonds' Reserve Account Requirements and the Series 2006 C Bonds Reserve Account Requirement are on deposit in the respective Prior Bonds' Reserve Accounts and the Series 2006 C Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the ~~Bonds, including the~~ Prior Bonds ~~and the Series 2005 Bonds~~are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay costs to refund the Series 1993 Bonds, fund a reserve account for the Bonds and pay all costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

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

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

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

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

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

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

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

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

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

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

12/07/04
435500.00014

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-1 $245,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 2006 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.25%	November 1, 2007	November 30, 2006	446834DZ3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED FORTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2007 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms

used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each April 15 and October 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by United Bank, Inc., Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $3,150,000 designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2006 A (Tax-Exempt)" (the "Bonds" or "Series 2006 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated November 30, 2006, the proceeds of which are to be used (i) to pay the outstanding principal balance of The City of Huntington Sewerage System Bond Anticipation Notes, Series 2003 A (Tax-Exempt), currently outstanding in the aggregate principal amount of $2,678,940 (the "Series 2003 A Notes"), which Series 2003 A Notes were issued to temporarily finance the cost of construction of certain additions, betterments and improvements to the public municipal sewerage system of the Issuer; (ii) to fund a reserve account for the Series 2006 A Bonds; and (iii) to pay costs of issuance of the Series 2006 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on January 10, 2005, and supplemented by a supplemental parameters resolution adopted by said Council on October 23, 2006 (hereinafter collectively referred to as the "Ordinance"), and are subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Huntington, West Virginia.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following paragraph:

(A) Optional Redemption. The Series 2006 A Bonds maturing on or after November 1, 2012, are subject to redemption prior to maturity at the option of the Issuer on and after November 1, 2011, in whole or in part at any time, in such order of maturity as shall be designated to the Registrar by the Issuer and by lot within a maturity, at par, plus interest accrued thereon to the date fixed for redemption.

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

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

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

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 1, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,100,000, (THE "SERIES 1993 BONDS"), SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"), SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550 (THE "SERIES 1999 BONDS"), AND SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 A BONDS," AND TOGETHER WITH THE SERIES 1993 BONDS, THE SERIES 1997 BONDS AND THE SERIES 1999 BONDS, COLLECTIVELY REFERRED TO HEREIN AS THE "PRIOR BONDS").

The Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on, and any necessary reserve payments for, the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Series 1993 Bonds are outstanding, and thereafter 115% of such amount. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay the outstanding principal balance of, and any accrued interest on, the Series 2003 A Notes, fund a reserve account for the Series 2006 A Bonds and pay all costs of issuance of the Series 2006 A Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

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

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

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Bond is issued, shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor SPECIMEN

ATTEST:

City Clerk SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: November 30, 2006.

UNITED BANK, INC.,
as Registrar

By: _____
Its: Authorized Officer

SPECIMEN

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____
_____ the within Bond and does hereby irrevocably constitute and appoint _____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

11.27.06
435500.00014

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-2 $270,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 2006 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.30%	November 1, 2008	November 30, 2006	446834EA7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED SEVENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2007 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-3 $280,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 2006 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.40%	November 1, 2009	November 30, 2006	446834EB5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED EIGHTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2007 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-4 $295,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 2006 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.40%	November 1, 2010	November 30, 2006	446834EC3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED NINETY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2007 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-5 $305,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 2006 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.50%	November 1, 2011	November 30, 2006	446834ED1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2007 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-6 $320,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 2006 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.60%	November 1, 2012	November 30, 2006	446834EE9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED TWENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2007 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-7 $335,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 2006 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.60%	November 1, 2013	November 30, 2006	446834EF6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED THIRTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2007 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-8 $350,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 2006 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.70%	November 1, 2014	November 30, 2006	446834EG4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED FIFTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2007 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-9 $365,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 2006 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.70%	November 1, 2015	November 30, 2006	446834EH2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED SIXTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2007 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-10 $385,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 2006 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.70%	November 1, 2016	November 30, 2006	446834EJ8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

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Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-1

$250,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.5%	November 1, 2008	December 27, 2007	446834 EN9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED FIFTY THOUSAND DOLLARS

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Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each April 15 and October 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by United Bank, Inc., Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $5,500,000 designated "The City of Huntington (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2007" (the "Bonds" or "Series 2007 Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 27, 2007, the proceeds of which are to be used (i) to currently refund the outstanding principal balance of the City's Sewerage System Refunding Revenue Bonds, Series 1993 (the "Series 1993 Bonds"), issued in the aggregate principal amount of $7,100,000, which Series 1993 Bonds were issued to advance refund all of the Issuer's Outstanding Sewerage System Refunding Revenue Bonds, Series 1987, dated February 15, 1987, originally issued in the aggregate principal amount of $8,575,000, of which $7,130,000 was then outstanding, fund a reserve account and pay costs of issuance and related costs; (ii) to fund a reserve account for the Series 2007 Bonds; and (iii) to pay costs of issuance of the Series 2007 Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on January 10, 2005, and supplemented by a supplemental parameters resolution adopted by said Council on December 10, 2007 (hereinafter collectively referred to as the "Ordinance"), and are subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Huntington, West Virginia.

Financial Security Assurance Inc. ("Financial Security"), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to the Paying Agent. Said Policy is on file and available

for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Financial Security or the Paying Agent.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on or after November 1, 2015 are subject to redemption prior to maturity at the option of the Issuer on and after November 1, 2015, in whole or in part at any time, in such order of maturity as shall be designated to the Registrar by the Issuer and by lot within a maturity, at the following redemption prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price
All maturing bonds on or after November 1, 2015	100%

(B) Mandatory Sinking Fund Redemption.

The Term Bonds due November 1, 2019 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on November 1, 2018 in the principal amount of $360,000. The remaining $380,000 principal amount of Term Bonds due November 1, 2019 are scheduled to be paid at maturity.

The Term Bonds due November 1, 2023 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on November 1, 2022 in the principal amount of $415,000. The remaining $435,000 principal amount of Term Bonds due November 1, 2023 are scheduled to be paid at maturity.

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Unless waived by any holder of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Note 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.

Official notice of redemption having been given, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"), SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550 (THE "SERIES 1999 BONDS"), SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 A BONDS"); AND SEWER REVENUE BONDS, SERIES 2006 A, DATED NOVEMBER 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,150,000 (THE "SERIES 2006 A BONDS" AND TOGETHER WITH THE SERIES 1997 BONDS, SERIES 1999 BONDS, SERIES 2000 A BONDS, COLLECTIVELY REFERRED TO HEREIN AS THE "PRIOR BONDS").

The Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the Series 2007 Bonds Sinking Fund and the Series 2007 Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2007 Bonds Sinking Fund and the Series 2007 Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable

rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on, and any necessary reserve payments for, the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay the outstanding principal balance of, and any accrued interest on, the Series 1993 Bonds, fund a reserve account for the Series 2007 Bonds and pay all costs of issuance of the Series 2007 Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Bond is issued, shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

12.19.2007
435500.00010

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 27, 2007.

UNITED BANK, INC.,
as Registrar

By: SPECIMEN
Its: Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

_____

the within Bond and does hereby irrevocably constitute and appoint

_____

_____

to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006A&B

(Final Schedules & Debt Profile)

Combined Series 2006A&B Bonds

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Series 2006A Bonds

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Series 2006B Bonds

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Cumulative Debt Structure

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Distribution of Funds
City of Huntington, West Virginia
Sewerage System Revenue Bonds, Series 2006A&B
(FINAL: Priced on November 16, 2006)

(Distribution of Funds Schedule)

Pricing: November 16, 2006
Dated Date: November 30, 2006
Delivery Date: November 30, 2006

Sources of Funds:			
Par Amount of Bonds		$3,890,000.00	
Add Accrued Interest		$0.00	
Less: Underwriter's Discount		($170,369.55)	
Total Due From Purchaser			**$3,719,630.45**
Add: Series 2003A & 2003B Debt Service Funds Available Balances		$194,107.88	
Total Sources:			$3,913,738.33
Uses of Funds:			
Municipal Bond Commission		$3,849,941.25	
Deposit to Series 2003A &2003B Sinking Funds	*$3,247,121.25*		
Deposit to Series 2006A &2006B Debt Service Reserve Funds	*$602,820.00*		
Cost of Issuance - Fifth Third Bank		$63,797.08	
Remit to Steptoe & Johnson Bond Counsel Fees	*$60,000.00*		
Remit to United Bank Registrar Fees, FAST Fees & Dissemination Fees	*$1,350.00*		
Reimburse Sanitary Board Out of Pocket Expenses	*$2,447.08*		
Total Uses:			$3,913,738.33

Flow of Funds

City of Huntington, West Virginia
Sewerage System Revenue Bonds, Series 2006A&B
(FINAL: Priced on November 16, 2006)

(Flow of Funds Schedule)

Pricing: November 16, 2006
Dated Date: November 30, 2006
Delivery Date: November 30, 2006

From Purchaser

Nov. 30, 2006	Wire to City of Huntington Cost of Issuance for Distribution	$63,797.08
Nov. 30, 2006	Wire to Municipal Bond Commission Current Refunding Amounts and Debt Service Reserve Funds	$3,655,833.37
		$3,719,630.45

Wiring Instructions

City of Huntington Santary Board
Fifth Third Bank
ABA #042000314
Acct: Association Reserve Account
Acct# 73429000

Municipal Bond Commission
Branch Banking and Trust Company,
Charleston, West Virginia
ABA# 051503394
Acct# 5270517317
Contact: WV State Treasurer for WV Bond Commission

Distribution of Funds

City of Huntington, West Virginia
Sewerage System Revenue Bonds, Series 2006A
(FINAL: Priced on November 16, 2006)

(Distribution of Funds Schedule)

Pricing: November 16, 2006
Dated Date: November 30, 2006
Delivery Date: November 30, 2006

Sources of Funds:			
Par Amount of Bonds		$3,150,000.00	
Add Accrued Interest		$0.00	
Less: Underwriter's Discount		($119,529.75)	
Total Due From Purchaser			$3,030,470.25
Uses of Funds:			
Municipal Bond Commission		$2,993,940.00	
Deposit to Series 2003A &2003B Sinking Funds	*$2,678,940.00*		
Deposit to Series 2006A &2006B Debt Service Reserve Funds	*$315,000.00*		
Cost of Issuance		$36,530.25	
Remit to Steptoe & Johnson Bond Counsel Fees	*$35,000.00*		
Remit to United Bank Registrar Fees, FAST Fees & Dissemination Fees	*$700.00*		
Reimburse Sanitary Board Out of Pocket Expenses	*$830.25*		
Total Uses:			$3,030,470.25

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006A

Refunding 2003A BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Sources & Uses

Dated 11/30/2006 | Delivered 11/30/2006

Sources Of Funds	
Par Amount of Bonds	$3,150,000.00
Total Sources	**$3,150,000.00**

Uses Of Funds	
Original Issue Discount (OID)	12,029.75
Total Underwriters Discount (Including Underwriters and Disclosure Counsel Fees)	107,500.00
Costs of Issuance	35,700.00
Deposit to Debt Service Reserve Fund (DSRF)	315,000.00
Deposit to Current Refunding Fund	2,678,940.00
Rounding Amount	830.25
Total Uses	**$3,150,000.00**

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006A

Refunding 2003A BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
11/01/2007	Serial Coupon	4.250%	4.250%	245,000.00	100.000%	245,000.00
11/01/2008	Serial Coupon	4.300%	4.300%	270,000.00	100.000%	270,000.00
11/01/2009	Serial Coupon	4.400%	4.400%	280,000.00	100.000%	280,000.00
11/01/2010	Serial Coupon	4.400%	4.500%	295,000.00	99.641%	293,940.95
11/01/2011	Serial Coupon	4.500%	4.600%	305,000.00	99.560%	303,658.00
11/01/2012	Serial Coupon	4.600%	4.650%	320,000.00	99.740%	319,168.00
11/01/2013	Serial Coupon	4.600%	4.700%	335,000.00	99.411%	333,026.85
11/01/2014	Serial Coupon	4.700%	4.750%	350,000.00	99.669%	348,841.50
11/01/2015	Serial Coupon	4.700%	4.800%	365,000.00	99.277%	362,361.05
11/01/2016	Serial Coupon	4.700%	4.800%	385,000.00	99.214%	381,973.90
Total	-	-	-	$3,150,000.00	-	$3,137,970.25

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006A

Refunding 2003A BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Pricing Summary

Bid Information

Par Amount of Bonds	$3,150,000.00
Reoffering Premium or (Discount)	(12,029.75)
Gross Production	$3,137,970.25
Total Underwriter's Discount (3.413%)	$(107,500.00)
Bid (96.205%)	3,030,470.25
Total Purchase Price	$3,030,470.25
Bond Year Dollars	$18,276.25
Average Life	5.802 Years
Average Coupon	4.6112464%
Net Interest Cost (NIC)	5.2652632%
True Interest Cost (TIC)	5.4013152%

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006A

Refunding 2003A BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
05/01/2007	-	-	59,929.17	59,929.17
11/01/2007	245,000.00	4.250%	71,438.75	316,438.75
05/01/2008	-	-	66,232.50	66,232.50
11/01/2008	270,000.00	4.300%	66,232.50	336,232.50
05/01/2009	-	-	60,427.50	60,427.50
11/01/2009	280,000.00	4.400%	60,427.50	340,427.50
05/01/2010	-	-	54,267.50	54,267.50
11/01/2010	295,000.00	4.400%	54,267.50	349,267.50
05/01/2011	-	-	47,777.50	47,777.50
11/01/2011	305,000.00	4.500%	47,777.50	352,777.50
05/01/2012	-	-	40,915.00	40,915.00
11/01/2012	320,000.00	4.600%	40,915.00	360,915.00
05/01/2013	-	-	33,555.00	33,555.00
11/01/2013	335,000.00	4.600%	33,555.00	368,555.00
05/01/2014	-	-	25,850.00	25,850.00
11/01/2014	350,000.00	4.700%	25,850.00	375,850.00
05/01/2015	-	-	17,625.00	17,625.00
11/01/2015	365,000.00	4.700%	17,625.00	382,625.00
05/01/2016	-	-	9,047.50	9,047.50
11/01/2016	385,000.00	4.700%	9,047.50	394,047.50
Total	**$3,150,000.00**	-	**$842,762.92**	**$3,992,762.92**

Debt Service Schedule

Yield Statistics

Bond Year Dollars	$18,276.25
Average Life	5.802 Years
Average Coupon	4.6112464%
Net Interest Cost (NIC)	5.2652632%
True Interest Cost (TIC)	5.4013152%
Bond Yield for Arbitrage Purposes	4.6840429%
All Inclusive Cost (AIC)	5.6476392%

IRS Form 8038

Net Interest Cost	4.7007467%
Weighted Average Maturity	5.795 Years

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006A

Refunding 2003A BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	Net New D/S
05/01/2007	-	-	59,929.17	59,929.17	-	59,929.17
11/01/2007	245,000.00	4.250%	71,438.75	316,438.75	-	316,438.75
05/01/2008	-	-	66,232.50	66,232.50	-	66,232.50
11/01/2008	270,000.00	4.300%	66,232.50	336,232.50	-	336,232.50
05/01/2009	-	-	60,427.50	60,427.50	-	60,427.50
11/01/2009	280,000.00	4.400%	60,427.50	340,427.50	-	340,427.50
05/01/2010	-	-	54,267.50	54,267.50	-	54,267.50
11/01/2010	295,000.00	4.400%	54,267.50	349,267.50	-	349,267.50
05/01/2011	-	-	47,777.50	47,777.50	-	47,777.50
11/01/2011	305,000.00	4.500%	47,777.50	352,777.50	-	352,777.50
05/01/2012	-	-	40,915.00	40,915.00	-	40,915.00
11/01/2012	320,000.00	4.600%	40,915.00	360,915.00	-	360,915.00
05/01/2013	-	-	33,555.00	33,555.00	-	33,555.00
11/01/2013	335,000.00	4.600%	33,555.00	368,555.00	-	368,555.00
05/01/2014	-	-	25,850.00	25,850.00	-	25,850.00
11/01/2014	350,000.00	4.700%	25,850.00	375,850.00	-	375,850.00
05/01/2015	-	-	17,625.00	17,625.00	-	17,625.00
11/01/2015	365,000.00	4.700%	17,625.00	382,625.00	-	382,625.00
05/01/2016	-	-	9,047.50	9,047.50	-	9,047.50
11/01/2016	385,000.00	4.700%	9,047.50	394,047.50	(315,000.00)	79,047.50
Total	**$3,150,000.00**	-	**$842,762.92**	**$3,992,762.92**	**(315,000.00)**	**$3,677,762.92**

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006A

Refunding 2003A BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Proof Of Bond Yield @ 4.6840429%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
11/30/2006	-	1.0000000x	-	-
05/01/2007	59,929.17	0.9807669x	58,776.55	58,776.55
11/01/2007	316,438.75	0.9583228x	303,250.47	362,027.02
05/01/2008	66,232.50	0.9363923x	62,019.60	424,046.63
11/01/2008	336,232.50	0.9149637x	307,640.52	731,687.15
05/01/2009	60,427.50	0.8940254x	54,023.72	785,710.86
11/01/2009	340,427.50	0.8735663x	297,385.99	1,083,096.85
05/01/2010	54,267.50	0.8535754x	46,321.40	1,129,418.25
11/01/2010	349,267.50	0.8340419x	291,303.74	1,420,721.99
05/01/2011	47,777.50	0.8149555x	38,936.54	1,459,658.53
11/01/2011	352,777.50	0.7963058x	280,918.78	1,740,577.31
05/01/2012	40,915.00	0.7780830x	31,835.26	1,772,412.58
11/01/2012	360,915.00	0.7602771x	274,395.42	2,046,807.99
05/01/2013	33,555.00	0.7428787x	24,927.30	2,071,735.29
11/01/2013	368,555.00	0.7258785x	267,526.15	2,339,261.44
05/01/2014	25,850.00	0.7092673x	18,334.56	2,357,596.00
11/01/2014	375,850.00	0.6930363x	260,477.68	2,618,073.68
05/01/2015	17,625.00	0.6771766x	11,935.24	2,630,008.91
11/01/2015	382,625.00	0.6616799x	253,175.29	2,883,184.20
05/01/2016	9,047.50	0.6465379x	5,849.55	2,889,033.76
11/01/2016	394,047.50	0.6317424x	248,936.49	3,137,970.25
Total	**$3,992,762.92**	-	**$3,137,970.25**	-

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006A

Refunding 2003A BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Proof Of Bond Yield @ 4.6840429%

Derivation Of Target Amount

Par Amount of Bonds	$3,150,000.00
Reoffering Premium or (Discount)	(12,029.75)
Original Issue Proceeds	$3,137,970.25

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006A

Refunding 2003A BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Price	Issuance PRICE	Exponent	Bond Years
11/30/2006	-	-	-	-	-
11/01/2007	245,000.00	100.000%	245,000.00	0.9194444x	225,263.89
11/01/2008	270,000.00	100.000%	270,000.00	1.9194444x	518,250.00
11/01/2009	280,000.00	100.000%	280,000.00	2.9194444x	817,444.44
11/01/2010	295,000.00	99.641%	293,940.95	3.9194444x	1,152,085.22
11/01/2011	305,000.00	99.560%	303,658.00	4.9194444x	1,493,828.66
11/01/2012	320,000.00	99.740%	319,168.00	5.9194444x	1,889,297.24
11/01/2013	335,000.00	99.411%	333,026.85	6.9194444x	2,304,360.79
11/01/2014	350,000.00	99.669%	348,841.50	7.9194444x	2,762,630.88
11/01/2015	365,000.00	99.277%	362,361.05	8.9194444x	3,232,059.25
11/01/2016	385,000.00	99.214%	381,973.90	9.9194444x	3,788,968.88
Total	**$3,150,000.00**	-	**$3,137,970.25**	-	**$18,184,189.26**

IRS Form 8038	
Weighted Average Maturity = Bond Years/Issue Price	5.795 Years
Total Interest from Debt Service	842,762.92
Reoffering (Premium) or Discount	12,029.75
Total Interest	854,792.67
NIC = Interest / (Issue Price * Average Maturity)	4.7007467%
Bond Yield for Arbitrage Purposes	4.6840429%

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006A

Refunding 2003A BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Proof of Reserve Fund Requirement

Date	Principal	Interest	TOTAL P+I
11/01/2007	245,000.00	131,367.92	376,367.92
11/01/2008	270,000.00	132,465.00	402,465.00
11/01/2009	280,000.00	120,855.00	400,855.00
11/01/2010	295,000.00	108,535.00	403,535.00
11/01/2011	305,000.00	95,555.00	400,555.00
11/01/2012	320,000.00	81,830.00	401,830.00
11/01/2013	335,000.00	67,110.00	402,110.00
11/01/2014	350,000.00	51,700.00	401,700.00
11/01/2015	365,000.00	35,250.00	400,250.00
11/01/2016	385,000.00	18,095.00	403,095.00
Total	**$3,150,000.00**	**$842,762.92**	**$3,992,762.92**

PROOF OF RESERVE FUND

MAXIMUM PERIODIC DEBT SERVICE

100 % of the Maximum Periodic Debt Service	403,535.00

AVERAGE PERIODIC DEBT SERVICE

Total P+I	3,992,762.92
Bond Years (Delivery Date)	9.92
125 % of the Average Periodic Debt Service	503,148.51

PERCENT OF PAR

10 % of Par	315,000.00

RESERVE REQUIREMENT

Computed Requirement	315,000.00
Proof's Requirement	315,000.00

Operation of Sinking Fund

Date	Rate	Deposits	Receipts	Disbursements	Cash Balance
12/15/2006	-	34,258.57	34,258.57	-	34,258.57
01/15/2007	-	34,258.57	34,258.57	-	68,517.14
02/15/2007	-	34,258.56	34,258.56	-	102,775.70
03/15/2007	-	34,258.56	34,258.56	-	137,034.26
04/15/2007	-	34,258.56	34,258.56	-	171,292.82
05/01/2007	-	-	-	59,929.17	111,363.65
05/15/2007	-	34,179.19	34,179.19	-	145,542.84
06/15/2007	-	34,179.19	34,179.19	-	179,722.03
07/15/2007	-	34,179.18	34,179.18	-	213,901.21
08/15/2007	-	34,179.18	34,179.18	-	248,080.39
09/15/2007	-	34,179.18	34,179.18	-	282,259.57
10/15/2007	-	34,179.18	34,179.18	-	316,438.75
11/01/2007	-	-	-	316,438.75	-
11/15/2007	-	33,538.75	33,538.75	-	33,538.75
12/15/2007	-	33,538.75	33,538.75	-	67,077.50
01/15/2008	-	33,538.75	33,538.75	-	100,616.25
02/15/2008	-	33,538.75	33,538.75	-	134,155.00
03/15/2008	-	33,538.75	33,538.75	-	167,693.75
04/15/2008	-	33,538.75	33,538.75	-	201,232.50
05/01/2008	-	-	-	66,232.50	135,000.00
05/15/2008	-	33,538.75	33,538.75	-	168,538.75
06/15/2008	-	33,538.75	33,538.75	-	202,077.50
07/15/2008	-	33,538.75	33,538.75	-	235,616.25
08/15/2008	-	33,538.75	33,538.75	-	269,155.00
09/15/2008	-	33,538.75	33,538.75	-	302,693.75
10/15/2008	-	33,538.75	33,538.75	-	336,232.50
11/01/2008	-	-	-	336,232.50	-

Operation of Sinking Fund

Date	Rate	Deposits	Receipts	Disbursements	Cash Balance
11/15/2008	-	33,404.59	33,404.59	-	33,404.59
12/15/2008	-	33,404.59	33,404.59	-	66,809.18
01/15/2009	-	33,404.59	33,404.59	-	100,213.77
02/15/2009	-	33,404.59	33,404.59	-	133,618.36
03/15/2009	-	33,404.58	33,404.58	-	167,022.94
04/15/2009	-	33,404.58	33,404.58	-	200,427.52
05/01/2009	-	-	-	60,427.50	140,000.02
05/15/2009	-	33,404.58	33,404.58	-	173,404.60
06/15/2009	-	33,404.58	33,404.58	-	206,809.18
07/15/2009	-	33,404.58	33,404.58	-	240,213.76
08/15/2009	-	33,404.58	33,404.58	-	273,618.34
09/15/2009	-	33,404.58	33,404.58	-	307,022.92
10/15/2009	-	33,404.58	33,404.58	-	340,427.50
11/01/2009	-	-	-	340,427.50	-
11/15/2009	-	33,627.92	33,627.92	-	33,627.92
12/15/2009	-	33,627.92	33,627.92	-	67,255.84
01/15/2010	-	33,627.92	33,627.92	-	100,883.76
02/15/2010	-	33,627.92	33,627.92	-	134,511.68
03/15/2010	-	33,627.92	33,627.92	-	168,139.60
04/15/2010	-	33,627.92	33,627.92	-	201,767.52
05/01/2010	-	-	-	54,267.50	147,500.02
05/15/2010	-	33,627.92	33,627.92	-	181,127.94
06/15/2010	-	33,627.92	33,627.92	-	214,755.86
07/15/2010	-	33,627.91	33,627.91	-	248,383.77
08/15/2010	-	33,627.91	33,627.91	-	282,011.68
09/15/2010	-	33,627.91	33,627.91	-	315,639.59
10/15/2010	-	33,627.91	33,627.91	-	349,267.50

Operation of Sinking Fund

Date	Rate	Deposits	Receipts	Disbursements	Cash Balance
11/01/2010	-	-	-	349,267.50	-
11/15/2010	-	33,379.59	33,379.59	-	33,379.59
12/15/2010	-	33,379.59	33,379.59	-	66,759.18
01/15/2011	-	33,379.59	33,379.59	-	100,138.77
02/15/2011	-	33,379.59	33,379.59	-	133,518.36
03/15/2011	-	33,379.58	33,379.58	-	166,897.94
04/15/2011	-	33,379.58	33,379.58	-	200,277.52
05/01/2011	-	-	-	47,777.50	152,500.02
05/15/2011	-	33,379.58	33,379.58	-	185,879.60
06/15/2011	-	33,379.58	33,379.58	-	219,259.18
07/15/2011	-	33,379.58	33,379.58	-	252,638.76
08/15/2011	-	33,379.58	33,379.58	-	286,018.34
09/15/2011	-	33,379.58	33,379.58	-	319,397.92
10/15/2011	-	33,379.58	33,379.58	-	352,777.50
11/01/2011	-	-	-	352,777.50	-
11/15/2011	-	33,485.84	33,485.84	-	33,485.84
12/15/2011	-	33,485.84	33,485.84	-	66,971.68
01/15/2012	-	33,485.84	33,485.84	-	100,457.52
02/15/2012	-	33,485.84	33,485.84	-	133,943.36
03/15/2012	-	33,485.83	33,485.83	-	167,429.19
04/15/2012	-	33,485.83	33,485.83	-	200,915.02
05/01/2012	-	-	-	40,915.00	160,000.02
05/15/2012	-	33,485.83	33,485.83	-	193,485.85
06/15/2012	-	33,485.83	33,485.83	-	226,971.68
07/15/2012	-	33,485.83	33,485.83	-	260,457.51
08/15/2012	-	33,485.83	33,485.83	-	293,943.34
09/15/2012	-	33,485.83	33,485.83	-	327,429.17

Operation of Sinking Fund

Date	Rate	Deposits	Receipts	Disbursements	Cash Balance
10/15/2012	-	33,485.83	33,485.83	-	360,915.00
11/01/2012	-	-	-	360,915.00	-
11/15/2012	-	33,509.17	33,509.17	-	33,509.17
12/15/2012	-	33,509.17	33,509.17	-	67,018.34
01/15/2013	-	33,509.17	33,509.17	-	100,527.51
02/15/2013	-	33,509.17	33,509.17	-	134,036.68
03/15/2013	-	33,509.17	33,509.17	-	167,545.85
04/15/2013	-	33,509.17	33,509.17	-	201,055.02
05/01/2013	-	-	-	33,555.00	167,500.02
05/15/2013	-	33,509.17	33,509.17	-	201,009.19
06/15/2013	-	33,509.17	33,509.17	-	234,518.36
07/15/2013	-	33,509.16	33,509.16	-	268,027.52
08/15/2013	-	33,509.16	33,509.16	-	301,536.68
09/15/2013	-	33,509.16	33,509.16	-	335,045.84
10/15/2013	-	33,509.16	33,509.16	-	368,555.00
11/01/2013	-	-	-	368,555.00	-
11/15/2013	-	33,475.01	33,475.01	-	33,475.01
12/15/2013	-	33,475.01	33,475.01	-	66,950.02
01/15/2014	-	33,475.00	33,475.00	-	100,425.02
02/15/2014	-	33,475.00	33,475.00	-	133,900.02
03/15/2014	-	33,475.00	33,475.00	-	167,375.02
04/15/2014	-	33,475.00	33,475.00	-	200,850.02
05/01/2014	-	-	-	25,850.00	175,000.02
05/15/2014	-	33,475.00	33,475.00	-	208,475.02
06/15/2014	-	33,475.00	33,475.00	-	241,950.02
07/15/2014	-	33,475.00	33,475.00	-	275,425.02
08/15/2014	-	33,475.00	33,475.00	-	308,900.02

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006A

Refunding 2003A BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Operation of Sinking Fund

Date	Rate	Deposits	Receipts	Disbursements	Cash Balance
09/15/2014	-	33,474.99	33,474.99	-	342,375.01
10/15/2014	-	33,474.99	33,474.99	-	375,850.00
11/01/2014	-	-	-	375,850.00	-
11/15/2014	-	33,354.17	33,354.17	-	33,354.17
12/15/2014	-	33,354.17	33,354.17	-	66,708.34
01/15/2015	-	33,354.17	33,354.17	-	100,062.51
02/15/2015	-	33,354.17	33,354.17	-	133,416.68
03/15/2015	-	33,354.17	33,354.17	-	166,770.85
04/15/2015	-	33,354.17	33,354.17	-	200,125.02
05/01/2015	-	-	-	17,625.00	182,500.02
05/15/2015	-	33,354.17	33,354.17	-	215,854.19
06/15/2015	-	33,354.17	33,354.17	-	249,208.36
07/15/2015	-	33,354.16	33,354.16	-	282,562.52
08/15/2015	-	33,354.16	33,354.16	-	315,916.68
09/15/2015	-	33,354.16	33,354.16	-	349,270.84
10/15/2015	-	33,354.16	33,354.16	-	382,625.00
11/01/2015	-	-	-	382,625.00	-
11/15/2015	-	33,591.26	33,591.26	-	33,591.26
12/15/2015	-	33,591.26	33,591.26	-	67,182.52
01/15/2016	-	33,591.25	33,591.25	-	100,773.77
02/15/2016	-	33,591.25	33,591.25	-	134,365.02
03/15/2016	-	33,591.25	33,591.25	-	167,956.27
04/15/2016	-	33,591.25	33,591.25	-	201,547.52
05/01/2016	-	-	-	9,047.50	192,500.02
05/15/2016	-	33,591.25	33,591.25	-	226,091.27
06/15/2016	-	33,591.25	33,591.25	-	259,682.52
07/15/2016	-	33,591.25	33,591.25	-	293,273.77

Operation of Sinking Fund

Date	Rate	Deposits	Receipts	Disbursements	Cash Balance
08/15/2016	-	33,591.25	33,591.25	-	326,865.02
09/15/2016	-	33,591.24	33,591.24	-	360,456.26
10/15/2016	-	33,591.24	33,591.24	-	394,047.50
11/01/2016	-	-	-	394,047.50	-
Total	-	$3,992,762.92	$3,992,762.92	$3,992,762.92	-

Distribution of Funds
City of Huntington, West Virginia
Sewerage System Revenue Bonds, Series 2006B
(FINAL: Priced on November 16, 2006)

(Distribution of Funds Schedule)

Pricing: November 16, 2006
Dated Date: November 30, 2006
Delivery Date: November 30, 2006

Sources of Funds:			
Par Amount of Bonds		$740,000.00	
Add Accrued Interest		$0.00	
Less: Underwriter's Discount		($50,839.80)	
Total Due From Purchaser			**$689,160.20**
Add: Series 2003A & 2003B Debt Service Funds Available Balances		$194,107.88	
Total Sources:			**$883,268.08**
Uses of Funds:			
Municipal Bond Commission		$856,001.25	
Deposit to Series 2003A &2003B Sinking Funds	*$568,181.25*		
Deposit to Series 2006A &2006B Debt Service Reserve Funds	*$287,820.00*		
Cost of Issuance		$27,266.83	
Remit to Steptoe & Johnson Bond Counsel Fees	*$25,000.00*		
Remit to United Bank Registrar Fees, FAST Fees & Dissemination Fees	*$650.00*		
Reimburse Sanitary Board Out of Pocket Expenses	*$1,616.83*		
Total Uses:			**$883,268.08**

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006B

Refunding 2003B BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Sources & Uses

Dated 11/30/2006 | Delivered 11/30/2006

Sources Of Funds	
Par Amount of Bonds	$740,000.00
Transfers from Prior Issue Debt Service Funds	194,107.88
Total Sources	**$934,107.88**

Uses Of Funds	
Original Issue Discount (OID)	1,539.80
Total Underwriters Discount (Including Underwriters and Disclosure Counsel Fees)	49,300.00
Costs of Issuance	25,650.00
Deposit to Debt Service Reserve Fund (DSRF)	287,820.00
Deposit to Current Refunding Fund	568,181.25
Rounding Amount	1,616.83
Total Uses	**$934,107.88**

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006B

Refunding 2003B BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
11/01/2007	Serial Coupon	6.500%	6.500%	220,000.00	100.000%	220,000.00
11/01/2008	Serial Coupon	6.500%	6.600%	250,000.00	99.815%	249,537.50
11/01/2009	Serial Coupon	6.600%	6.750%	270,000.00	99.601%	268,922.70
Total	-	-	-	$740,000.00	-	$738,460.20

Bid Information

Par Amount of Bonds	$740,000.00
Reoffering Premium or (Discount)	(1,539.80)
Gross Production	$738,460.20
Total Underwriter's Discount (6.662%)	$(49,300.00)
Bid (93.130%)	689,160.20
Total Purchase Price	$689,160.20
Bond Year Dollars	$1,470.39
Average Life	1.987 Years
Average Coupon	6.5536084%
Net Interest Cost (NIC)	10.0111835%
True Interest Cost (TIC)	10.5420140%

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006B

Refunding 2003B BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
05/01/2007	-	-	20,288.53	20,288.53
11/01/2007	220,000.00	6.500%	24,185.00	244,185.00
05/01/2008	-	-	17,035.00	17,035.00
11/01/2008	250,000.00	6.500%	17,035.00	267,035.00
05/01/2009	-	-	8,910.00	8,910.00
11/01/2009	270,000.00	6.600%	8,910.00	278,910.00
Total	$740,000.00	-	$96,363.53	$836,363.53

Yield Statistics

Bond Year Dollars	$1,470.39
Average Life	1.987 Years
Average Coupon	6.5536084%
Net Interest Cost (NIC)	10.0111835%
True Interest Cost (TIC)	10.5420140%
Bond Yield for Arbitrage Purposes	6.6711911%
All Inclusive Cost (AIC)	12.7210515%

IRS Form 8038

Net Interest Cost	6.6766412%
Weighted Average Maturity	1.986 Years

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006B

Refunding 2003B BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	Net New D/S
05/01/2007	-	-	20,288.53	20,288.53	-	20,288.53
11/01/2007	220,000.00	6.500%	24,185.00	244,185.00	-	244,185.00
05/01/2008	-	-	17,035.00	17,035.00	-	17,035.00
11/01/2008	250,000.00	6.500%	17,035.00	267,035.00	-	267,035.00
05/01/2009	-	-	8,910.00	8,910.00	-	8,910.00
11/01/2009	270,000.00	6.600%	8,910.00	278,910.00	(287,820.00)	(8,910.00)
Total	$740,000.00	-	$96,363.53	$836,363.53	(287,820.00)	$548,543.53

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006B

Refunding 2003B BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

Operation of Sinking Fund

Date	Rate	Deposits	Receipts	Disbursements	Cash Balance
12/15/2006	-	24,057.71	24,057.71	-	24,057.71
01/15/2007	-	24,057.71	24,057.71	-	48,115.42
02/15/2007	-	24,057.71	24,057.71	-	72,173.13
03/15/2007	-	24,057.70	24,057.70	-	96,230.83
04/15/2007	-	24,057.70	24,057.70	-	120,288.53
05/01/2007	-	-	-	20,288.53	100,000.00
05/15/2007	-	24,030.84	24,030.84	-	124,030.84
06/15/2007	-	24,030.84	24,030.84	-	148,061.68
07/15/2007	-	24,030.83	24,030.83	-	172,092.51
08/15/2007	-	24,030.83	24,030.83	-	196,123.34
09/15/2007	-	24,030.83	24,030.83	-	220,154.17
10/15/2007	-	24,030.83	24,030.83	-	244,185.00
11/01/2007	-	-	-	244,185.00	-
11/15/2007	-	23,672.51	23,672.51	-	23,672.51
12/15/2007	-	23,672.51	23,672.51	-	47,345.02
01/15/2008	-	23,672.50	23,672.50	-	71,017.52
02/15/2008	-	23,672.50	23,672.50	-	94,690.02
03/15/2008	-	23,672.50	23,672.50	-	118,362.52
04/15/2008	-	23,672.50	23,672.50	-	142,035.02
05/01/2008	-	-	-	17,035.00	125,000.02
05/15/2008	-	23,672.50	23,672.50	-	148,672.52
06/15/2008	-	23,672.50	23,672.50	-	172,345.02
07/15/2008	-	23,672.50	23,672.50	-	196,017.52
08/15/2008	-	23,672.50	23,672.50	-	219,690.02
09/15/2008	-	23,672.49	23,672.49	-	243,362.51
10/15/2008	-	23,672.49	23,672.49	-	267,035.00
11/01/2008	-	-	-	267,035.00	-

City of Huntington, West Virginia

Sewerage System Revenue Bonds, Series 2006B

Refunding 2003B BAN

FINAL: Priced on 11.16.06 - DELIVERY: 11.30.06

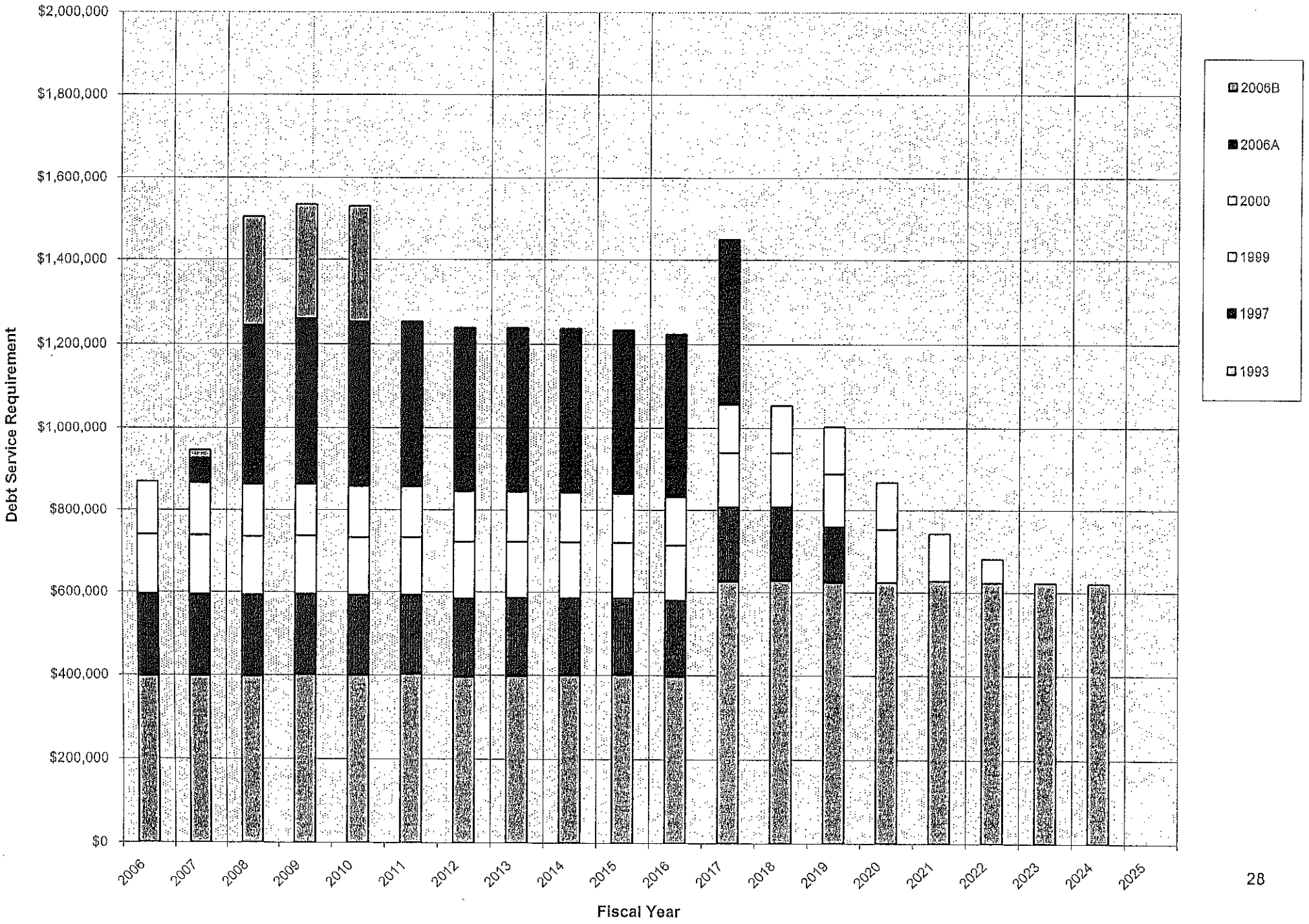
Operation of Sinking Fund

Part 2 of 2

Date	Rate	Deposits	Receipts	Disbursements	Cash Balance
11/15/2008	-	23,985.00	23,985.00	-	23,985.00
12/15/2008	-	23,985.00	23,985.00	-	47,970.00
01/15/2009	-	23,985.00	23,985.00	-	71,955.00
02/15/2009	-	23,985.00	23,985.00	-	95,940.00
03/15/2009	-	23,985.00	23,985.00	-	119,925.00
04/15/2009	-	23,985.00	23,985.00	-	143,910.00
05/01/2009	-	-	-	8,910.00	135,000.00
05/15/2009	-	23,985.00	23,985.00	-	158,985.00
06/15/2009	-	23,985.00	23,985.00	-	182,970.00
07/15/2009	-	23,985.00	23,985.00	-	206,955.00
08/15/2009	-	23,985.00	23,985.00	-	230,940.00
09/15/2009	-	23,985.00	23,985.00	-	254,925.00
10/15/2009	-	23,985.00	23,985.00	-	278,910.00
11/01/2009	-	-	-	278,910.00	-
Total	-	$836,363.53	$836,363.53	$836,363.53	-

Debt Capsule Report

(A)	(B)	(C)	(D)	(E)	(F)
Bond Series	Original Par Amount	Current Amount Outstanding	Interest Rate Range	Final Maturity	Call Information
1993	$7,100,000	$5,370,000	4.850% - 5.375%	2023	Nov 2004 @ 101%
1997	$3,039,895	$1,960,314	3.000%	2019	Consent Only
1999	$2,083,550	$1,519,274	3.000%	2020	Consent Only
2000	$1,867,098	$1,488,610	3.000%	2021	Consent Only
2006A	$3,150,000	$3,150,000	4.250% - 4.700%	2016	Nov 2011 @ 100%
2006B	$740,000	$740,000	6.500% - 6.600%	2009	Nov 2007 @ 100%
Totals:	$17,980,543	$14,228,198	---	---	---


$2,000,000
$1,800,000
$1,600,000
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
Debt Service Requirement
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
Fiscal Year
2006B
2006A
2000
1999
1997
1993

Debt Service Structure Report

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Fiscal Year	Series 1993 Bonds	Series 1997 Bonds	Series 1999 Bonds	Series 2000 Bonds	Series 2006A Bonds	Series 2006B Bonds	Total Payments
2006	$397,886	$198,434	$142,681	$129,108			$868,109
2007	$397,738	$197,063	$141,727	$128,278	$59,929	$20,289	$945,024
2008	$397,181	$195,665	$140,754	$127,433	$382,671	$261,220	$1,504,925
2009	$401,025	$194,239	$139,762	$126,570	$396,660	$275,945	$1,534,201
2010	$399,331	$192,783	$138,751	$125,689	$394,695	$278,910	$1,530,161
2011	$402,244	$191,299	$137,718	$124,791	$397,045		$1,253,097
2012	$394,894	$189,785	$136,666	$123,877	$393,693		$1,238,914
2013	$397,281	$188,240	$135,591	$122,942	$394,470		$1,238,524
2014	$399,144	$186,664	$134,495	$121,989	$394,405		$1,236,697
2015	$400,481	$185,056	$133,376	$121,015	$393,475		$1,233,404
2016	$396,425	$183,416	$132,236	$120,023	$391,673		$1,223,773
2017	$625,806	$181,743	$131,072	$119,013	$394,048		$1,451,681
2018	$628,100	$180,036	$129,884	$117,980			$1,056,000
2019	$624,213	$133,886	$128,673	$116,927			$1,003,699
2020	$623,838		$127,439	$115,852			$867,129
2021	$626,694			$114,756			$741,450
2022	$623,072			$56,960			$680,032
2023	$622,972						$622,972
2024	$621,259						$621,259
2025							$0
Totals:	$9,379,583	$2,598,308	$2,030,828	$2,013,203	$3,992,763	$836,364	$20,851,048

Master Sinking Fund Schedule

	Series 1993			Series 1997			Series 1999			Series 2000			Series 2006A			Series 2006B		
Payment Date	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment
12/01/06	$23,755	$23,755		$16,436		$49,309	$11,821		$35,462	$10,699		$32,096	$9,988	$9,988		$3,381	$3,381	
01/01/07	$23,755	$47,509		$16,408	$16,408		$11,801	$11,801		$10,681	$10,681		$9,988	$19,976		$3,381	$6,763	
02/01/07	$23,755	$71,264		$16,408	$32,815		$11,801	$23,601		$10,681	$21,362		$9,988	$29,965		$3,381	$10,144	
03/01/07	$23,755	$95,019		$16,408		$49,223	$11,801		$35,402	$10,681		$32,044	$9,988	$39,953		$3,381	$13,526	
04/01/07	$23,755	$118,773		$16,379	$16,379		$11,781	$11,781		$10,664	$10,664		$9,988	$49,941		$3,381	$16,907	
05/01/07	$23,755		$142,528	$16,379	$32,757		$11,781	$23,561		$10,664	$21,327		$9,988		$59,929	$3,381		$20,289
06/01/07	$42,921	$42,921		$16,379		$49,136	$11,781		$35,342	$10,664		$31,991	$52,740	$52,740		$40,698	$40,698	
07/01/07	$42,921	$85,843		$16,349	$16,349		$11,760	$11,760		$10,646	$10,646		$52,740	$105,480		$40,698	$81,395	
08/01/07	$42,921	$128,764		$16,349	$32,699		$11,760	$23,520		$10,646	$21,292		$52,740	$158,219		$40,698	$122,093	
09/01/07	$42,921	$171,685		$16,349		$49,048	$11,760		$35,280	$10,646		$31,938	$52,740	$210,959		$40,698	$162,790	
10/01/07	$42,921	$214,607		$16,320	$16,320		$11,740	$11,740		$10,628	$10,628		$52,740	$263,699		$40,698	$203,488	
11/01/07	$42,921		$257,528	$16,320	$32,641		$11,740	$23,479		$10,628	$21,257		$52,740		$316,439	$40,698		$244,185
12/01/07	$23,276	$23,276		$16,320		$48,961	$11,740		$35,219	$10,628		$31,885	$11,039	$11,039		$2,839	$2,839	
01/01/08	$23,276	$46,551		$16,291	$16,291		$11,719	$11,719		$10,611	$10,611		$11,039	$22,078		$2,839	$5,678	
02/01/08	$23,276	$69,827		$16,291	$32,581		$11,719	$23,439		$10,611	$21,221		$11,039	$33,116		$2,839	$8,518	
03/01/08	$23,276	$93,102		$16,291		$48,872	$11,719		$35,158	$10,611		$31,832	$11,039	$44,155		$2,839	$11,357	
04/01/08	$23,276	$116,378		$16,261	$16,261		$11,699	$11,699		$10,593	$10,593		$11,039	$55,194		$2,839	$14,196	
05/01/08	$23,276		$139,653	$16,261	$32,523		$11,699	$23,398		$10,593	$21,185		$11,039		$66,233	$2,839		$17,035
06/01/08	$44,109	$44,109		$16,261		$48,784	$11,699		$35,097	$10,593		$31,778	$56,039	$56,039		$44,506	$44,506	
07/01/08	$44,109	$88,218		$16,231	$16,231		$11,678	$11,678		$10,575	$10,575		$56,039	$112,078		$44,506	$89,012	
08/01/08	$44,109	$132,327		$16,231	$32,463		$11,678	$23,357		$10,575	$21,149		$56,039	$168,116		$44,506	$133,518	
09/01/08	$44,109	$176,435		$16,231		$48,694	$11,678		$35,035	$10,575		$31,724	$56,039	$224,155		$44,506	$178,023	
10/01/08	$44,109	$220,544		$16,202	$16,202		$11,657	$11,657		$10,557	$10,557		$56,039	$280,194		$44,506	$222,529	
11/01/08	$44,109		$264,653	$16,202	$32,403		$11,657	$23,315		$10,557	$21,113		$56,039		$336,233	$44,506		$267,035
12/01/08	$22,729	$22,729		$16,202		$48,605	$11,657		$34,972	$10,557		$31,670	$10,071	$10,071		$1,485	$1,485	
01/01/09	$22,729	$45,457		$16,172	$16,172		$11,636	$11,636		$10,538	$10,538		$10,071	$20,143		$1,485	$2,970	
02/01/09	$22,729	$68,186		$16,172	$32,343		$11,636	$23,273		$10,538	$21,077		$10,071	$30,214		$1,485	$4,455	
03/01/09	$22,729	$90,915		$16,172		$48,515	$11,636		$34,909	$10,538		$31,615	$10,071	$40,285		$1,485	$5,940	
04/01/09	$22,729	$113,643		$16,141	$16,141		$11,615	$11,615		$10,520	$10,520		$10,071	$50,356		$1,485	$7,425	
05/01/09	$22,729		$136,372	$16,141	$32,283		$11,615	$23,231		$10,520	$21,041		$10,071		$60,428	$1,485		$8,910
06/01/09	$44,395	$44,395		$16,141		$48,424	$11,615		$34,846	$10,520		$31,561	$56,738	$56,738		$46,485	$46,485	
07/01/09	$44,395	$88,791		$16,111	$16,111		$11,595	$11,595		$10,502	$10,502		$56,738	$113,476		$46,485	$92,970	
08/01/09	$44,395	$133,186		$16,111	$32,222		$11,595	$23,189		$10,502	$21,004		$56,738	$170,214		$46,485	$139,455	
09/01/09	$44,395	$177,581		$16,111		$48,333	$11,595		$34,784	$10,502		$31,506	$56,738	$226,952		$46,485	$185,940	
10/01/09	$44,395	$221,977		$16,081	$16,081		$11,573	$11,573		$10,483	$10,483		$56,738	$283,690		$46,485	$232,425	
11/01/09	$44,395		$266,372	$16,081	$32,161		$11,573	$23,147		$10,483	$20,967		$56,738		$340,428	$46,485		$278,910
12/01/09	$22,160	$22,160		$16,081		$48,242	$11,573		$34,720	$10,483		$31,450	$9,045	$9,045				
01/01/10	$22,160	$44,320		$16,050	$16,050		$11,552	$11,552		$10,465	$10,465		$9,045	$18,089				
02/01/10	$22,160	$66,480		$16,050	$32,100		$11,552	$23,104		$10,465	$20,930		$9,045	$27,134				
03/01/10	$22,160	$88,640		$16,050		$48,150.00	$11,552		$34,656.28	$10,465		$31,394.42	$9,045	$36,178				
04/01/10	$22,160	$110,799		$16,019	$16,019		$11,531	$11,531		$10,446	$10,446		$9,045	$45,223				
05/01/10	$22,160		$132,959.38	$16,019	$32,039		$11,531	$23,061		$10,446	$20,893		$9,045		$54,267.50			
06/01/10	$45,493	$45,493		$16,019		$48,058.00	$11,531		$34,591.68	$10,446		$31,338.92	$58,211	$58,211				
07/01/10	$45,493	$90,986		$15,988	$15,988		$11,509	$11,509		$10,428	$10,428		$58,211	$116,423				
08/01/10	$45,493	$136,480		$15,988	$31,977		$11,509	$23,018		$10,428	$20,855		$58,211	$174,634				
09/01/10	$45,493	$181,973		$15,988		$47,965.00	$11,509		$34,527.12	$10,428		$31,282.58	$58,211	$232,845				
10/01/10	$45,493	$227,466		$15,957	$15,957		$11,488	$11,488		$10,409	$10,409		$58,211	$291,056				
11/01/10	$45,493		$272,959.38	$15,957	$31,915		$11,488	$22,975		$10,409	$20,818		$58,211		$349,267.50			
12/01/10	$21,547	$21,547		$15,957		$47,872.00	$11,488		$34,462.59	$10,409		$31,226.41	$7,963	$7,963				
01/01/11	$21,547	$43,095		$15,926	$15,926		$11,466	$11,466		$10,390	$10,390		$7,963	$15,926				
02/01/11	$21,547	$64,642		$15,926	$31,852		$11,466	$22,931		$10,390	$20,780		$7,963	$23,889				
03/01/11	$21,547	$86,190		$15,926		$47,778.00	$11,466		$34,397.09	$10,390		$31,169.38	$7,963	$31,852				
04/01/11	$21,547	$107,737		$15,895	$15,895		$11,444	$11,444		$10,371	$10,371		$7,963	$39,815				
05/01/11	$21,547		$129,284.38	$15,895	$31,789		$11,444	$22,888		$10,371	$20,742		$7,963		$47,777.50			
06/01/11	$44,881	$44,881		$15,895		$47,684.00	$11,444		$34,331.61	$10,371		$31,112.51	$58,796	$58,796				

Master Sinking Fund Schedule

	Series 1993			Series 1997			Series 1999			Series 2000			Series 2006A			Series 2006B		
Payment Date	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment
07/01/11	$44,881	$89,761		$15,863	$15,863		$11,422	$11,422		$10,352	$10,352		$58,796	$117,593				
08/01/11	$44,881	$134,642		$15,863	$31,726		$11,422	$22,844		$10,352	$20,704		$58,796	$176,389				
09/01/11	$44,881	$179,523		$15,863		$47,589.00	$11,422		$34,266.15	$10,352		$31,055.78	$58,796	$235,185				
10/01/11	$44,881	$224,404		$15,831	$15,831		$11,400	$11,400		$10,333	$10,333		$58,796	$293,981				
11/01/11	$44,881		$269,284.38	$15,831	$31,663		$11,400	$22,800		$10,333	$20,665		$58,796		$352,777.50			
12/01/11	$20,935	$20,935		$15,831		$47,494.00	$11,400		$34,199.70	$10,333		$30,998.19	$6,819	$6,819				
01/01/12	$20,935	$41,870		$15,800	$15,800		$11,378	$11,378		$10,314	$10,314		$6,819	$13,638				
02/01/12	$20,935	$62,805		$15,800	$31,599		$11,378	$22,756		$10,314	$20,627		$6,819	$20,458				
03/01/12	$20,935	$83,740		$15,800		$47,399.00	$11,378		$34,133.26	$10,314		$30,940.74	$6,819	$27,277				
04/01/12	$20,935	$104,674		$15,768	$15,768		$11,356	$11,356		$10,294	$10,294		$6,819	$34,096				
05/01/12	$20,935		$125,609.38	$15,768	$31,535		$11,356	$22,711		$10,294	$20,588		$6,819		$40,915.00			
06/01/12	$45,935	$45,935		$15,768		$47,303.00	$11,356		$34,066.82	$10,294		$30,882.42	$60,153	$60,153				
07/01/12	$45,935	$91,870		$15,735	$15,735		$11,333	$11,333		$10,275	$10,275		$60,153	$120,305				
08/01/12	$45,935	$137,805		$15,735	$31,471		$11,333	$22,666		$10,275	$20,549		$60,153	$180,458				
09/01/12	$45,935	$183,740		$15,735		$47,206.00	$11,333		$33,999.38	$10,275		$30,824.22	$60,153	$240,610				
10/01/12	$45,935	$229,674		$15,703	$15,703		$11,311	$11,311		$10,255	$10,255		$60,153	$300,763				
11/01/12	$45,935		$275,609.38	$15,703	$31,406		$11,311	$22,621		$10,255	$20,510		$60,153		$360,915.00			
12/01/12	$20,279	$20,279		$15,703		$47,109.00	$11,311		$33,931.93	$10,255		$30,765.15	$5,593	$5,593				
01/01/13	$20,279	$40,557		$15,670	$15,670		$11,288	$11,288		$10,235	$10,235		$5,593	$11,185				
02/01/13	$20,279	$60,836		$15,670	$31,341		$11,288	$22,576		$10,235	$20,471		$5,593	$16,778				
03/01/13	$20,279	$81,115		$15,670		$47,011.00	$11,288		$33,863.47	$10,235		$30,706.21	$5,593	$22,370				
04/01/13	$20,279	$101,393		$15,638	$15,638		$11,265	$11,265		$10,215	$10,215		$5,593	$27,963				
05/01/13	$20,279		$121,671.88	$15,638	$31,275		$11,265	$22,531		$10,215	$20,431		$5,593		$33,555.00			
06/01/13	$46,945	$46,945		$15,638		$46,913.00	$11,265		$33,796.00	$10,215		$30,646.37	$61,426	$61,426				
07/01/13	$46,945	$93,891		$15,605	$15,605		$11,243	$11,243		$10,196	$10,196		$61,426	$122,852				
08/01/13	$46,945	$140,836		$15,605	$31,210		$11,243	$22,485		$10,196	$20,392		$61,426	$184,278				
09/01/13	$46,945	$187,781		$15,605		$46,815.00	$11,243		$33,727.50	$10,196		$30,587.66	$61,426	$245,703				
10/01/13	$46,945	$234,727		$15,572	$15,572		$11,219	$11,219		$10,176	$10,176		$61,426	$307,129				
11/01/13	$46,945		$281,671.88	$15,572	$31,144		$11,219	$22,439		$10,176	$20,351		$61,426		$368,555.00			
12/01/13	$19,579	$19,579		$15,572		$46,716.00	$11,219		$33,657.97	$10,176		$30,527.04	$4,308	$4,308				
01/01/14	$19,579	$39,157		$15,539	$15,539		$11,196	$11,196		$10,156	$10,156		$4,308	$8,617				
02/01/14	$19,579	$58,736		$15,539	$31,077		$11,196	$22,393		$10,156	$20,312		$4,308	$12,925				
03/01/14	$19,579	$78,315		$15,539		$46,616.00	$11,196		$33,589.42	$10,156		$30,467.53	$4,308	$17,233				
04/01/14	$19,579	$97,893		$15,505	$15,505		$11,173	$11,173		$10,136	$10,136		$4,308	$21,542				
05/01/14	$19,579		$117,471.88	$15,505	$31,011		$11,173	$22,347		$10,136	$20,271		$4,308		$25,850.00			
06/01/14	$47,912	$47,912		$15,505		$46,516.00	$11,173		$33,519.82	$10,136		$30,407.11	$62,642	$62,642				
07/01/14	$47,912	$95,824		$15,472	$15,472		$11,150	$11,150		$10,115	$10,115		$62,642	$125,283				
08/01/14	$47,912	$143,736		$15,472	$30,944		$11,150	$22,300		$10,115	$20,231		$62,642	$187,925				
09/01/14	$47,912	$191,648		$15,472		$46,416.00	$11,150		$33,450.18	$10,115		$30,345.79	$62,642	$250,567				
10/01/14	$47,912	$239,560		$15,438	$15,438		$11,126	$11,126		$10,095	$10,095		$62,642	$313,208				
11/01/14	$47,912		$287,471.88	$15,438	$30,877		$11,126	$22,253		$10,095	$20,190		$62,642		$375,850.00			
12/01/14	$18,835	$18,835		$15,438		$46,315.00	$11,126		$33,379.49	$10,095		$30,284.55	$2,938	$2,938				
01/01/15	$18,835	$37,670		$15,405	$15,405		$11,103	$11,103		$10,074	$10,074		$2,938	$5,875				
02/01/15	$18,835	$56,505		$15,405	$30,809		$11,103	$22,206		$10,074	$20,149		$2,938	$8,813				
03/01/15	$18,835	$75,340		$15,405		$46,214.00	$11,103		$33,308.75	$10,074		$30,223.41	$2,938	$11,750				
04/01/15	$18,835	$94,174		$15,371	$15,371		$11,079	$11,079		$10,054	$10,054		$2,938	$14,688				
05/01/15	$18,835		$113,009.38	$15,371	$30,741		$11,079	$22,159		$10,054	$20,108		$2,938		$17,625.00			
06/01/15	$48,002	$48,002		$15,371		$46,112.00	$11,079		$33,237.95	$10,054		$30,161.34	$63,771	$63,771				
07/01/15	$48,002	$96,003		$15,336	$15,336		$11,056	$11,056		$10,033	$10,033		$63,771	$127,542				
08/01/15	$48,002	$144,005		$15,336	$30,673		$11,056	$22,111		$10,033	$20,066		$63,771	$191,313				
09/01/15	$48,002	$192,006		$15,336		$46,009.00	$11,056		$33,167.09	$10,033		$30,099.34	$63,771	$255,083				
10/01/15	$48,002	$240,008		$15,302	$15,302		$11,032	$11,032		$10,012	$10,012		$63,771	$318,854				
11/01/15	$48,002		$288,009.38	$15,302	$30,604		$11,032	$22,063		$10,012	$20,025		$63,771		$382,625.00			
12/01/15	$18,069	$18,069		$15,302		$45,906.00	$11,032		$33,095.16	$10,012		$30,037.42	$1,508	$1,508				
01/01/16	$18,069	$36,139		$15,267	$15,267		$11,008	$11,008		$9,992	$9,992		$1,508	$3,016				

Master Sinking Fund Schedule

	Series 1993			Series 1997			Series 1999			Series 2000			Series 2006A			Series 2006B		
Payment Date	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment
02/01/16	$18,069	$54,208		$15,267	$30,535		$11,008	$22,015		$9,992	$19,983		$1,508	$4,524				
03/01/16	$18,069	$72,277		$15,267		$45,802.00	$11,008		$33,023.15	$9,992		$29,974.56	$1,508	$6,032				
04/01/16	$18,069	$90,346		$15,233	$15,233		$10,984	$10,984		$9,971	$9,971		$1,508	$7,540				
05/01/16	$18,069		$108,415.63	$15,233	$30,465		$10,984	$21,967		$9,971	$19,941		$1,508		$9,047.50			
06/01/16	$88,069	$88,069		$15,233		$45,698.00	$10,984		$32,951.06	$9,971		$29,911.76	$65,675	$65,675				
07/01/16	$88,069	$176,139		$15,198	$15,198		$10,959	$10,959		$9,950	$9,950		$65,675	$131,349				
08/01/16	$88,069	$264,208		$15,198	$30,396		$10,959	$21,919		$9,950	$19,899		$65,675	$197,024				
09/01/16	$88,069	$352,277		$15,198		$45,594.00	$10,959		$32,877.89	$9,950		$29,849.02	$65,675	$262,698				
10/01/16	$88,069	$440,346		$15,163	$15,163		$10,935	$10,935		$9,928	$9,928		$65,675	$328,373				
11/01/16	$88,069		$528,415.63	$15,163	$30,326		$10,935	$21,870		$9,928	$19,857		$65,675		$394,047.50			
12/01/16	$16,232	$16,232		$15,163		$45,489.00	$10,935		$32,804.62	$9,928		$29,785.33						
01/01/17	$16,232	$32,464		$15,128	$15,128		$10,910	$10,910		$9,907	$9,907							
02/01/17	$16,232	$48,695		$15,128	$30,255		$10,910	$21,821		$9,907	$19,814							
03/01/17	$16,232	$64,927		$15,128		$45,383.00	$10,910		$32,731.27	$9,907		$29,721.68						
04/01/17	$16,232	$81,159		$15,092	$15,092		$10,886	$10,886		$9,886	$9,886							
05/01/17	$16,232		$97,390.63	$15,092	$30,185		$10,886	$21,772		$9,886	$19,771							
06/01/17	$90,398	$90,398		$15,092		$45,277.00	$10,886		$32,657.81	$9,886		$29,657.07						
07/01/17	$90,398	$180,797		$15,057	$15,057		$10,861	$10,861		$9,864	$9,864							
08/01/17	$90,398	$271,195		$15,057	$30,113		$10,861	$21,722		$9,864	$19,728							
09/01/17	$90,398	$361,594		$15,057		$45,170.00	$10,861		$32,583.24	$9,864		$29,592.50						
10/01/17	$90,398	$451,992		$15,021	$15,021		$10,836	$10,836		$9,843	$9,843							
11/01/17	$90,398		$542,390.63	$15,021	$30,042		$10,836	$21,672		$9,843	$19,685							
12/01/17	$14,285	$14,285		$15,021		$45,063.00	$10,836		$32,508.56	$9,843		$29,527.97						
01/01/18	$14,285	$28,570		$14,985	$14,985		$10,811	$10,811		$9,821	$9,821							
02/01/18	$14,285	$42,855		$14,985	$29,970		$10,811	$21,623		$9,821	$19,642							
03/01/18	$14,285	$57,140		$14,985		$44,955.00	$10,811		$32,433.76	$9,821		$29,462.46						
04/01/18	$14,285	$71,424		$14,949	$14,949		$10,786	$10,786		$9,799	$9,799							
05/01/18	$14,285		$85,709.38	$14,949	$29,898		$10,786	$21,573		$9,799	$19,598							
06/01/18	$91,785	$91,785		$14,949		$44,847.00	$10,786		$32,358.84	$9,799		$29,396.97						
07/01/18	$91,785	$183,570		$14,913	$14,913		$10,761	$10,761		$9,777	$9,777							
08/01/18	$91,785	$275,355		$14,913	$29,825		$10,761	$21,522		$9,777	$19,554							
09/01/18	$91,785	$367,140		$14,913		$44,738.00	$10,761		$32,282.78	$9,777		$29,331.51						
10/01/18	$91,785	$458,924		$14,876	$14,876		$10,736	$10,736		$9,755	$9,755							
11/01/18	$91,785		$550,709.38	$14,876	$29,753		$10,736	$21,471		$9,755	$19,510							
12/01/18	$12,251	$12,251		$14,876		$44,629.00	$10,736		$32,206.59	$9,755		$29,265.05						
01/01/19	$12,251	$24,501		$14,840	$14,840		$10,710	$10,710		$9,733	$9,733							
02/01/19	$12,251	$36,752		$14,840	$29,679		$10,710	$21,420		$9,733	$19,466							
03/01/19	$12,251	$49,002		$14,840		$44,519.00	$10,710		$32,130.27	$9,733		$29,198.60						
04/01/19	$12,251	$61,253					$10,685	$10,685		$9,711	$9,711							
05/01/19	$12,251		$73,503.13				$10,685	$21,369		$9,711	$19,421							
06/01/19	$93,917	$93,917					$10,685		$32,053.79	$9,711		$29,132.16						
07/01/19	$93,917	$187,834					$10,659	$10,659		$9,688	$9,688							
08/01/19	$93,917	$281,752					$10,659	$21,317		$9,688	$19,376							
09/01/19	$93,917	$375,669					$10,659		$31,976.16	$9,688		$29,064.71						
10/01/19	$93,917	$469,586					$10,633	$10,633		$9,666	$9,666							
11/01/19	$93,917		$563,503.13				$10,633	$21,266		$9,666	$19,332							
12/01/19	$10,056	$10,056					$10,633		$31,899.38	$9,666		$28,997.25						
01/01/20	$10,056	$20,111					$10,607	$10,607		$9,643	$9,643							
02/01/20	$10,056	$30,167					$10,607	$21,214		$9,643	$19,286							
03/01/20	$10,056	$40,223					$10,607		$31,821.42	$9,643		$28,928.78						
04/01/20	$10,056	$50,279					$10,581	$10,581		$9,620	$9,620							
05/01/20	$10,056		$60,334.38				$10,581	$21,162		$9,620	$19,241							
06/01/20	$96,722	$96,722					$10,581		$31,742.30	$9,620		$28,861.30						
07/01/20	$96,722	$193,445								$9,598	$9,598							
08/01/20	$96,722	$290,167								$9,598	$19,195							

Master Sinking Fund Schedule

	Series 1993			Series 1997			Series 1999			Series 2000			Series 2006A			Series 2006B		
Payment Date	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment	Monthly Payment	Sinking Fund Balance	Bond Payment
09/01/20	$96,722	$386,890								$9,598		$28,792.80						
10/01/20	$96,722	$483,612								$9,574	$9,574							
11/01/20	$96,722		$580,334.38							$9,574	$19,149							
12/01/20	$7,727	$7,727								$9,574		$28,723.26						
01/01/21	$7,727	$15,453								$9,552	$9,552							
02/01/21	$7,727	$23,180								$9,552	$19,103							
03/01/21	$7,727	$30,906								$9,552		$28,654.70						
04/01/21	$7,727	$38,633								$9,528	$9,528							
05/01/21	$7,727		$46,359.38							$9,528	$19,057							
06/01/21	$98,560	$98,560								$9,528		$28,585.09						
07/01/21	$98,560	$197,120								$9,505	$9,505							
08/01/21	$98,560	$295,680								$9,505	$19,010							
09/01/21	$98,560	$394,240								$9,505		$28,515.45						
10/01/21	$98,560	$492,799								$9,482	$9,482							
11/01/21	$98,560		$591,359.38							$9,482	$18,963							
12/01/21	$5,285	$5,285								$9,482		$28,444.75						
01/01/22	$5,285	$10,571																
02/01/22	$5,285	$15,856																
03/01/22	$5,285	$21,142																
04/01/22	$5,285	$26,427																
05/01/22	$5,285		$31,712.50															
06/01/22	$101,119	$101,119																
07/01/22	$101,119	$202,238																
08/01/22	$101,119	$303,356																
09/01/22	$101,119	$404,475																
10/01/22	$101,119	$505,594																
11/01/22	$101,119		$606,712.50															
12/01/22	$2,710	$2,710																
01/01/23	$2,710	$5,420																
02/01/23	$2,710	$8,130																
03/01/23	$2,710	$10,840																
04/01/23	$2,710	$13,549																
05/01/23	$2,710		$16,259.38															
06/01/23	$103,543	$103,543																
07/01/23	$103,543	$207,086																
08/01/23	$103,543	$310,630																
09/01/23	$103,543	$414,173																
10/01/23	$103,543	$517,716																
11/01/23	$103,543		$621,259.38															
Totals:	$8,726,488	---	$8,726,488	$2,317,603	---	$2,350,476	$1,828,984	---	$1,852,625	$1,830,551	---	$1,851,948	$3,992,763	---	$3,992,763	$836,364	---	$836,364

THE CITY OF HUNTINGTON
(WEST VIRGINIA)

SEWER REVENUE BONDS, SERIES 2006 A
SEWER REVENUE BONDS, SERIES 2006 B
SEWER REFUNDING REVENUE BONDS, SERIES 2007

BOND ORDINANCE

THE CITY OF HUNTINGTON
(WEST VIRGINIA)

CONFORMED ORDINANCE

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS, SERIES 2006 A (TAX-EXEMPT) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $4,000,000, FOR THE PURPOSE OF PAYING THE OUTSTANDING PRINCIPAL BALANCE OF THE CITY'S SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2003 A (TAX-EXEMPT), AND PAYING COSTS OF ISSUANCE AND RELATED COSTS; AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS, SERIES 2006 B (TAXABLE) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $2,750,000, FOR THE PURPOSES OF PAYING THE OUTSTANDING PRINCIPAL BALANCE OF THE CITY'S SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2003 B (TAXABLE), FINANCING CERTAIN SINKING FUND AND DEBT SERVICE RESERVE ACCOUNT ARREARAGES FOR THE CITY'S PRIOR BONDS, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS; AUTHORIZING THE ISSUANCE OF SEWER REFUNDING REVENUE BONDS, SERIES 2007 (TAX-EXEMPT) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $7,000,000, FOR THE PURPOSE OF REFUNDING THE CITY'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

RECITALS

WHEREAS, The City of Huntington (the "Issuer") presently owns and operates a public sewerage system, which constitute properties for the collection, transportation, treatment, purification and disposal of liquid or solid wastes, sewage or industrial wastes (the "System") and has heretofore temporarily or permanently financed or refinanced the acquisition and construction of the System and certain additions, extensions and improvements thereto by issuance of several series of bonds or refunding bonds, of which there are presently outstanding the (i) Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000 (the "Series 1993 Bonds"), (ii) Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895 (the "Series 1997 Bonds"), (iii) Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550 (the "Series 1999 Bonds"), (iv)

Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098 (the "Series 2000 A Bonds"), (v) Sewerage System Bond Anticipation Notes, Series 2003 A (Tax-Exempt), dated December 30, 2003, issued in the original aggregate principal amount of $2,640,000 (the "Series 2003 A Notes"), and Sewerage System Bond Anticipation Notes, Series 2003 B (Taxable), dated December 30, 2003, issued in the original aggregate principal amount of $555,000 (the "Series 2003 B Notes" and, together with the Series 2003 A Notes, herein collectively referred to as the "Series 2003 Notes");

WHEREAS, the Series 2003 B Notes temporarily financed certain sinking fund and debt service reserve account arrearages and the Issuer reimbursed itself for expenditures previously made by the Issuer with respect to the Harveytown and Lawson Heights grant projects;

WHEREAS, the Series 1993 Bonds were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on October 12, 1993, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on November 3, 1993 (such ordinance, as so supplemented and amended, herein called the "Series 1993 Ordinance"), the Series 1997 Bonds were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on December 10, 1995, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on November 10, 1997 (such ordinance, as so supplemented and amended, herein called the "Series 1997 Ordinance"), the Series 1999 Bonds were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on June 14, 1999, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on June 14, 1999 (such ordinance, as so supplemented and amended, herein called the "Series 1999 Ordinance"), the Series 2000 A Bonds were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on October 10, 2000, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on October 10, 2000 (such ordinance, as so supplemented and amended, herein called the "Series 2000 A Ordinance"), and the Series 2003 Notes were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on December 22, 2003, as supplemented by a supplemental resolution adopted by the City Council of the Issuer on December 22, 2003 (the "Series 2003 Ordinance" and, together with the Series 1993 Ordinance, the Series 1997 Ordinance, the Series 1999 Ordinance and the Series 2000 A Ordinance, herein collectively referred to as the "Prior Ordinances");

WHEREAS, under the provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), the Issuer is authorized to issue refunding revenue bonds to refund, pay or discharge all or any part of its outstanding revenue bonds;

WHEREAS, the Issuer has determined and hereby determines that it is in the best interests of the residents of The City of Huntington and other users of the System to permanently finance the costs of acquisition and construction of certain additions, betterments and improvements to the System, to permanently finance the reimbursement expenditures with respect to the Harveytown and Lawson Heights grant projects, to permanently finance the sinking fund and debt service reserve account arrearages heretofore financed with the proceeds of the Series 2003 B Notes, and to permanently finance certain other sinking fund and debt service reserve account arrearages related to the Issuer's Prior Bonds (as hereinafter defined);

WHEREAS, the Issuer has determined and hereby determines that it may be in the best interest of the residents of The City of Huntington and other users of the System to currently refund the Series 1993 Bonds to achieve interest rate savings;

WHEREAS, the Issuer has determined and hereby determines that it would be to the benefit of the Issuer and its residents and other users of the System, to pay the outstanding principal balance of the Series 2003 A Notes in the manner set forth herein with proceeds of the issuance of a series of bonds to be designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2006 A (Tax-Exempt)" (the "Series 2006 A Bonds"), in the maximum aggregate principal amount of $4,000,000, such Series 2006 A Bonds to be secured by and payable from the Net Revenues (as hereinafter defined) of the System, on a parity with the Prior Bonds and the Series 2007 Bonds;

WHEREAS, the Issuer has determined and hereby determines that it would be to the benefit of the Issuer and its residents and other users of the System, to pay the outstanding principal balance of the Series 2003 B Notes and to permanently finance certain sinking fund and debt service reserve account arrearages related to the Issuer's Prior Bonds in the manner set forth herein with proceeds of the issuance of a series of bonds to be designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2006 B (Taxable)" (the "Series 2006 B Bonds"), in the maximum aggregate principal amount of $2,750,000, such Series 2006 B Bonds to be secured by and payable from the Surcharge (as hereinafter defined) of the System;

WHEREAS, the Issuer has determined and hereby determines that it would be to the benefit of the Issuer and its residents and other users of the System, to refund the Series 1993 Bonds to achieve interest rate savings on their next redemption date, being May 1, 2007, in the manner set forth herein with proceeds of the issuance of a series of bonds to be designated "The City of Huntington (West Virginia) Sewer Refunding Revenue Bonds, Series 2007 (Tax-Exempt)" (the "Series 2007 Bonds" and together with the Series 2006 A Bonds and the Series 2006 B Bonds, collectively referred to herein as the "Series 2006 Bonds"), in the maximum aggregate principal amount of $7,000,000, such Series 2007 Bonds to be secured by and payable from the Net Revenues (as hereinafter defined) of the System, on a parity with the Series 2006 A Bonds and the Prior Bonds; and

WHEREAS, the Issuer now desires to authorize the payment of the outstanding principal balance of the Series 2003 Notes and the refunding of the Series 1993 Bonds as aforesaid, and to provide for the financing thereof by the issuance of the Series 2006 Bonds as hereinafter provided.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF HUNTINGTON:

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01. Definitions.

All capitalized terms used in this Ordinance and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 2006 Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

"Authorized Officer" means the Mayor of the Issuer or any other officer of the Issuer specifically designated by resolution of the Council of the Issuer.

"Board" or "Sanitary Board" means the Sanitary Board of the Issuer.

"Bond Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia which succeeds to the functions of the Bond Commission.

"Bond Counsel" shall mean any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer or the Sanitary Board, and shall initially mean Steptoe & Johnson 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 Bonds, and with respect to the Series 2007 Bonds, shall mean the Bond Insurer, if any, designated in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Bonds.

"Bond Year" means the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2006 A Bonds, the Series 2006 B Bonds, the Series 2007 Bonds, the Series 2000 A Bonds, the Series 1999 Bonds, the Series 1997 Bonds, the Series 1993 Bonds, if not refunded by the Issuer, and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations or West Virginia banking corporations are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2006 Bonds, respectively, in substantially the forms set forth in EXHIBIT

A - FORM OF SERIES 2006 A BOND, EXHIBIT B - FORM OF SERIES 2006 B BOND, and EXHIBIT C - FORM OF SERIES 2007 BOND, all attached hereto.

"City" or "Issuer" means the The City of Huntington, a municipal corporation and political subdivision of the State of West Virginia, in Cabell and Wayne Counties thereof, and, unless the context clearly indicates otherwise, includes the Governing Body and the Sanitary Board of the Issuer and any other commission, board or department established by the Issuer to operate and maintain the System.

"City Clerk" or "Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2006 Bonds for the proceeds representing the original purchase price thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

"Consulting Engineers" means any qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms, means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of paying the principal balance of the Series 2003 Notes and refunding the Series 1993 Bonds, including payment of redemption premiums, if any, and accrued interest thereon; amounts which may be deposited in the respective Reserve Accounts; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to the refunding of the Series 1993 Bonds and the payment of the outstanding principal balance of the Series 2003 Notes, premiums for municipal bond insurance, if any, and reserve account insurance, letter of credit fees, fiscal agent fees and expenses, underwriter's discount, initial fees for the services of registrars, paying agents, depositories, trustees or escrow trustees, or other costs in connection with the sale of the Series 2006 Bonds, the refunding of the Series 1993 Bonds and the payment of the outstanding principal balance of the Series 2003 Notes, and such other expenses as may be necessary or incidental to the financing herein authorized, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2006 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Council" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"Debt Service," with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to the Bonds during such period.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"Depreciation Fund" means the Depreciation Fund established by the Prior Ordinances and continued hereby.

"DTC" means The Depository Trust Company, New York, New York or its successor.

"DTC-eligible" means, with respect to the Series 2006 Bonds, meeting the qualifications prescribed by DTC.

"Event of Default" means any occurrence or event specified in Section 7.01.

"FDIC" means the Federal Deposit Insurance Corporation or any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council, as it may now or hereafter be constituted.

"Government Obligations" means certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts, and includes any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments) or any Tap Fees, as hereinafter defined.

"Independent Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any purpose except keeping the accounts of said System in the normal operations of its business and affairs.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds for the then current or any succeeding Fiscal Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Mayor" means the current Mayor of the Issuer.

"Municipal Bond Insurance Policy" means any municipal bond insurance policy issued by a Bond Insurer simultaneously with the delivery of the Series 2007 Bonds, insuring the payment of the principal of and interest on all or any of the Series 2007 Bonds in accordance with the terms thereof or any other bond insurance policy which may be issued on behalf of the Issuer to insure payment of the principal of and interest on all or any subsequent series of Bonds.

"Net Proceeds" means the face amount of the Series 2006 A and Series 2007 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the respective Series 2006 Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from investment of proceeds

of the Series 2006 A Bonds and the Series 2007 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means the balance of Gross Revenues remaining after deduction of Operating Expenses, as hereinafter defined, which Net Revenues secure the Prior Bonds, the Series 2006 A Bonds and the Series 2007 Bonds.

"Operating Expenses," unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Ordinance" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by resolution.

"Original Purchaser" means Ross, Sinclaire & Associates, Inc., Frankfort, Kentucky, as the purchaser of the Series 2006 Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Series 2006 Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 2006 Bonds directly from the Issuer, as determined by a resolution supplemental hereto; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Series 2006 Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the Council at the time of approval of such sale of said Series 2006 Bonds.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond or Prior Bond canceled by the registrar for such Bond or Prior Bond at or prior to said date; (b) any Bond or Prior Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means the Bond Commission and any other paying agent for the Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"Prepayment Agent" means the prepayment agent or agents under the 2003 Prepayment Agreement and 1993 Prepayment Agreement, which shall be appointed pursuant to a resolution supplemental hereto.

"2003 Prepayment Agreement" means the agreement which may be entered into between the Issuer and the Prepayment Agent, providing for the defeasance and ultimate payment of the Series 2003 Notes, the deposit therein of proceeds of the Series 2006 A Bonds and Series 2006 B Bonds, and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"1993 Prepayment Agreement" means the agreement which may be entered into between the Issuer and the Prepayment Agent, providing for the defeasance and ultimate payment of the Series 1993 Bonds, the deposit therein of proceeds of the Series 2007 Bonds, the disposition of moneys in the various funds and accounts under the Series 1993 Ordinance and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"1993 Prepayment Fund" means the Prepayment Fund established pursuant to the 1993 Prepayment Agreement.

"2003 Prepayment Fund" means the Prepayment Fund established pursuant to the 2003 Prepayment Agreement.

"Prior Bonds" shall mean collectively, the Series 1997 Bonds, the Series 1999 Bonds and the Series 2000 A Bonds.

"Prior Ordinances" shall have the meaning set forth in the recitals hereto.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Qualified Investments" means and includes the investments set forth in the Supplemental Resolution and designated as such.

"Rebate Fund" means the Rebate Fund established by Section 4.01 hereof.

"Record Date" means the day of the month which shall be so stated in the Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Account" means, collectively, the respective redemption accounts created for the Series 2006 Bonds by Section 4.02 hereof.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

"Redemption Price" means the price at which the Bonds may be called for redemption and includes the principal amount of the Bonds to be redeemed, plus the premium, if any, required to be paid to effect such redemption.

"Registered Owner," "Bondholder," "Holder of the Bonds," "Owner of the Bonds" or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the Series 2006 Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

"Reserve Accounts" means, collectively, the respective Reserve Accounts created for the Series 2006 Bonds and the Prior Bonds.

"Reserve Account Requirement" means, collectively, the respective amount required to be on deposit in the respective Reserve Accounts for the Series 2006 Bonds and the Prior Bonds.

"Revenue Fund" means the Revenue Fund established by the Prior Ordinances and continued hereby.

"Sanitary Board" means the Sanitary Board of the Issuer.

"Series 1993 Bonds" means the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000.

"Series 1993 Bonds Redemption Date" means the date fixed for redemption of the Series 1993 Bonds as set forth in the Ordinance authorizing the Series 1993 Bonds.

"Series 1993 Ordinance" means the Ordinance authorizing the issuance of the Series 1993 Bonds.

"Series 1997 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895.

"Series 1999 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550.

"Series 2000 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated October 24, 2000, issued in the original aggregate principal amount of $1,867,098.

"Series 2003 Notes" means, collectively, the Series 2003 A Notes and the Series 2003 B Notes.

"Series 2003 Notes Redemption Date" means December 1, 2006, the date fixed for redemption of the Series 2003 Notes.

"Series 2003 A Notes" means the Issuer's Sewerage System Bond Anticipation Notes, Series 2003 A (Tax-Exempt), dated December 30, 2003, issued in the original aggregate principal amount of $2,640,000.

"Series 2003 B Notes" means the Issuer's Sewerage System Bond Anticipation Notes, Series 2003 B (Taxable), dated December 30, 2003, issued in the original aggregate principal amount of $555,000.

"Series 2003 Ordinance" means the Ordinance that authorized the issuance of the Series 2003 A Notes and Series 2003 B Notes.

"Series 2006 Bonds" means, collectively, the Series 2006 A Bonds, the Series 2006 B Bonds and the Series 2007 Bonds.

"Series 2006 A Bonds" means the Sewer Revenue Bonds, Series 2006 A (Tax-Exempt), of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2006 A Bonds Reserve Account" means the Series 2006 A Bonds Reserve Account established in the Series 2006 A Bonds Sinking Fund pursuant to Section 4.01 hereof.

"Series 2006 A Bonds Reserve Account Requirement" means, as of any date of calculation, Maximum Annual Debt Service for the Series 2006 A Bonds.

"Series 2006 A Bonds Sinking Fund" means the Series 2006 A Bonds Sinking Fund established by Section 4.02 hereof.

"Series 2006 B Bonds" means the Sewer Revenue Bonds, Series 2006 B (Taxable), of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2006 B Bonds Reserve Account" means the Series 2006 B Bonds Reserve Account established in the Series 2006 B Bonds Sinking Fund pursuant to Section 4.01 hereof.

"Series 2006 B Bonds Reserve Account Requirement" means, as of any date of calculation, Maximum Annual Debt Service for the Series 2006 B Bonds.

"Series 2006 B Bonds Sinking Fund" means the Series 2006 B Bonds Sinking Fund established by Section 4.02 hereof.

"Series 2007 Bonds" means the Sewer Refunding Revenue Bonds, Series 2007 (Tax-Exempt), of the Issuer, originally authorized to be issued, if and when issued, pursuant to this Ordinance and the Supplemental Resolution.

"Series 2007 Bonds Reserve Account" means the Series 2007 Bonds Reserve Account established in the Series 2007 Bonds Sinking Fund pursuant to Section 4.01 hereof.

"Series 2007 Bonds Reserve Account Requirement" means, as of any date of calculation, Maximum Annual Debt Service for the Series 2007 Bonds.

"Series 2007 Bonds Sinking Fund" means the Series 2007 Bonds Sinking Fund established by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds created for the Series 2006 Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any ordinances or resolutions amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution(s) to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 2006 Bonds and authorizing the sale of the Series 2006 Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surcharge" means the surcharge approved by the Commission Order of the Public Service Commission of West Virginia in Case Nos. 03-1678-S-C and 04-0949-S-MA, dated December 14, 2004.

"Surplus Revenues" means the Net Revenues not required by the Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund.

"System" means, collectively, the complete existing public municipal sewerage treatment and collection system of the Issuer, and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the issuer.

"Tap Fees" means the fees, if any, paid by prospective customers of the System in order to connect thereto.

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

Section 1.02. Authority for this Ordinance.

This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The Issuer is a municipal corporation and political subdivision of the State of West Virginia, in Cabell County of said State.

B. The Issuer now owns and operates, through the Sanitary Board, the System, the acquisition and construction of which has been temporarily or permanently financed or refinanced in part by the proceeds of the Series 1993 Bonds, the Series 2003 Notes, the Prior Bonds and other bonds which have either been refunded and defeased by the Prior Bonds or otherwise, or are no longer Outstanding.

C. Upon issuance of the Series 2006 A Bonds, the Series 2003 A Notes will be defeased and the Series 2006 A Bonds will be secured by a first lien on the Net Revenues, on a parity with the Series 2007 Bonds and the Prior Bonds.

Upon issuance of the Series 2006 B Bonds, the Series 2003 B Notes will be defeased and the Series 2006 B Bonds will be secured by a lien on the Surcharge.

Upon issuance of the Series 2007 Bonds, the Series 1993 Bonds will be defeased and the Series 2007 Bonds will be secured by a first lien on the Net Revenues, on a parity with the Series 2006 A Bonds and the Prior Bonds.

D. The Issuer intends to issue the Series 2006 A Bonds and Series 2007 Bonds and to pledge for payment thereof, the Net Revenues of the System on a parity with the Prior Bonds.

E. The Issuer intends to simultaneously issue the Series 2006 B Bonds and to pledge for payment thereof, the Surcharge established for use of the System.

F. The Issuer derives revenues from the System which are pledged for payment of the Prior Bonds and Series 1993 Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner. Upon issuance of the Series 2006 A Bonds, the Series 2003 A Notes will be defeased and the Series 2006 A Bonds will be secured by a first lien on the Net Revenues, on a parity with the Prior Bonds and Series 1993 Bonds, if the Series 2007 Bonds are not issued.

G. The estimated Surcharge to be derived in each year after the date hereof will be sufficient, upon refunding and defeasance of the Series 2003 B Notes, to pay the principal of and interest on the Series 2006 B Bonds and to make all other payments provided for in this Ordinance for the Series 2006 B Bonds.

H. The Issuer derives revenues from the System which are pledged for payment of the Prior Bonds and Series 1993 Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner. Upon issuance of the Series 2007 Bonds, the Series 1993 Bonds will be defeased and the Series 2007 Bonds will be secured by a first lien on the Net Revenues, on a parity with the Prior Bonds, and the Series 2006 A Bonds. The Issuer may later determine, however, not to issue the Series 2007 Bonds.

I. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, upon refunding and defeasance of the Series 1993 Bonds, to pay all Operating Expenses of the System and the principal of and interest on the Series 2006 A Bonds, Series 2007 Bonds and the Prior Bonds and to make all other payments provided for in this Ordinance.

J. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 2007 Bonds presented to the Issuer by the Original Purchaser, the Series 2007 Bonds show a net present value savings to the Issuer after deducting all expenses of the refunding of the Series 1993 Bonds and the costs of issuing the Series 2007 Bonds.

K. The Issuer shall not sell the Series 2007 Bonds without setting forth in a Supplemental Resolution the determination set forth in paragraph J, above, based upon the actual principal amount, maturity schedule and interest rates for the Series 2007 Bonds, and the Issuer shall not issue the Series 2007 Bonds without having obtained from an independent certified public accountant a certification that the amount of savings stated to be achieved by the refunding of the Series 1993 Bonds shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2007 Bonds and the net interest cost in dollars of the Series 1993 Bonds.

L. Subject to the determination and certification required by paragraph K, above, it is in the best interest of the Issuer, and the inhabitants thereof, that the Issuer issue if and when issued, the Series 2007 Bonds and secure the Series 2007 Bonds by a pledge and assignment of the Net Revenues derived from the operation of the System, the moneys in the Series 2007 Bonds Reserve Account, unexpended proceeds of the Series 2007 Bonds and as further set forth herein.

M. The Series 2006 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A - SERIES 2006 A BOND FORM, attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

The Series 2006 B Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT B - SERIES 2006 B BOND FORM, attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

The Series 2007 Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT C - SERIES 2007 BOND FORM, attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

N. All things necessary to make the Series 2006 Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2006 Bonds, will be timely done and duly performed.

O. The enactment of this Ordinance, and the execution and issuance of the Series 2006 Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

Section 1.04. Ordinance Constitutes Contract.

In consideration of the acceptance of the Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Bonds, 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.

ARTICLE II

AUTHORIZATION OF REFUNDING OF SERIES 1993 BONDS; AUTHORIZATION OF PAYMENT OF OUTSTANDING PRINCIPAL BALANCE OF SERIES 2003 NOTES; AUTHORIZATION OF FINANCING OF SINKING FUND AND DEBT SERVICE RESERVE ACCOUNT ARREARAGES; AUTHORIZATION TO DETERMINE FOLLOWING ENACTMENT OF THIS ORDINANCE NOT TO ISSUE THE SERIES 2007 BONDS OR TO ISSUE THE SERIES 2006 BONDS AT DIFFERENT TIMES

Section 2.01. Authorization of Payment of Principal Balance of Series 2003 Notes.

The Series 2003 A Notes and Series 2003 B Notes Outstanding as of the date of issuance of the Series 2006 A Bonds and Series 2006 B Bonds, respectively, in the aggregate principal amounts of $2,640,000 and $555,000, respectively, are hereby ordered to be paid in full. The proceeds of the Series 2006 A Bonds and the Series 2006 B Bonds shall be used to pay the outstanding principal balance of, and accrued interest on, the Series 2003 Notes on the Series 2003 Notes Redemption Date pursuant to the terms of the 2003 Prepayment Agreement. Upon payment in full of the Series 2003 Notes, the liens created by the Series 2003 Ordinance shall be released and discharged.

Section 2.02. Authorization of Refunding of Series 1993 Bonds.

The Series 1993 Bonds Outstanding as of the date of issuance of the Series 2007 Bonds in the aggregate principal amount of not to exceed $7,000,000 are hereby ordered to be refunded pursuant to the terms of a 1993 Prepayment Agreement, and the pledge of Net Revenues in favor of the Holders of such Series 1993 Bonds imposed by the Series 1993 Ordinance, the moneys in the funds and accounts created by the Series 1993 Ordinance for the payment of the Series 1993 Bonds and any other funds pledged by the Series 1993 Ordinance to payment of the Series 1993 Bonds are hereby ordered terminated, discharged and released upon the payment into the 1993 Prepayment Fund from the proceeds of the Series 2007 Bonds, together with other moneys available therefor, of the following: (a) if required by the 1993 Prepayment Agreement, an amount equal to the fiscal and paying agent charges and any other charges to become due and payable in connection with the Series 1993 Bonds and (b) an amount which will be simultaneously invested in Government Obligations bearing interest and having maturities sufficient, together with certain cash which may also be deposited, to provide for the payment of the principal of and interest on such Series 1993 Bonds as the same become due, on the Series 1993 Bonds Redemption Date, all as set forth in the1993 Prepayment Agreement. Contemporaneously with the deposit of such Series 2007 Bond proceeds into the 1993 Prepayment Fund, the amounts on deposit in the sinking fund, including the reserve account therein, and all other funds and accounts created and maintained on behalf of the Series 1993 Bonds shall be deposited in the 1993 Prepayment Fund, the Series 2007 Bonds Reserve Account or such other fund or account as shall be set forth in the 1993 Prepayment Agreement, and invested as provided in the 1993 Prepayment Agreement.

Section 2.03. Authorization to Determine Following Enactment of this Ordinance not to Issue the Series 2007 Bonds or to Issue the Series 2006 Bonds at Different Times.

Following enactment of this Ordinance, the Issuer is hereby authorized to make a determination that it is not in the best interest of its residents or users of the System to issue the Series 2007 Bonds authorized by this Ordinance, or the Issuer may make a determination that it is in the best

interest of its residents and users of the System to issue the three series of Series 2006 Bonds authorized by this Ordinance at separate times and not simultaneously with one another.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds.

No Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Bonds issued pursuant to this Ordinance after the issuance of the Series 2006 Bonds, as hereinafter provided, may be issued only as fully registered Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in a Supplemental Resolution). All Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. 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 Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Bonds surrendered.

The principal of and the premium, if any, on the 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 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 Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Bond in the principal amount of said Bond then Outstanding.

Section 3.02. Execution of Bonds.

The Bonds shall be executed in the name of the Issuer by the Mayor, by his manual or facsimile signatures, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Clerk by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration.

No Series 2006 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 forms set forth in EXHIBIT A - FORM OF SERIES 2006 A BOND,

EXHIBIT B - FORM OF SERIES 2006 B BOND and EXHIBIT C - FORM OF SERIES 2007 BOND attached hereto and incorporated herein by reference with respect to such respective Series 2006 Bond, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.04. Negotiability and Registration.

Subject to the requirements for transfer set forth below, the Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, 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, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2006 Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds. Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost.

In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and

upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Bonds be at any time found by any one, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds.

In the event Term Bonds are issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the respective Redemption Account in accordance with Subsection 4.03(A)(2) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 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 Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such mandatory redemption date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory redemption date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

C. The Issuer shall on or before the 60th day next preceding each mandatory redemption date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the moneys in the Redemption Account to

purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory redemption date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the redemption date (interest to be paid from the Sinking Fund), as will exhaust as nearly as practicable such Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory redemption date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption.

Unless waived by any Holder of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer, 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.

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 Registrar, and

(6) Such other information, if any, as shall be required for DTC-eligible Bonds.

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the

Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners.

The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds.

Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Authorization of Series 2006 Bonds.

A. For the purposes of paying the outstanding principal balance of the Series 2003 A Notes, funding the Series 2006 A Bonds Reserve Account and paying costs of issuance of the Series 2006 A Bonds and related costs, there shall be issued the Series 2006 A Bonds of the Issuer, in an aggregate principal amount of not more than $4,000,000. The Series 2006 A Bonds shall be designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2006 A" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2006 A Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2006 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2006 A Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

B. For the purposes of paying the principal balance of the Series 2003 B Notes, permanently financing certain sinking fund and debt service reserve account arrearages, funding the Series 2006 B Bonds Reserve Account and paying costs of issuance of the Series 2006 B Bonds and

related costs, there shall be issued the Series 2006 B Bonds of the Issuer, in an aggregate principal amount of not more than $2,750,000. The Series 2006 B Bonds shall be designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2006 B (Taxable)" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2006 B Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2006 B Bonds shall be numbered from BR-1 consecutively upward. The Series 2006 B Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

C. For the purposes of refunding the Series 1993 Bonds, funding the Series 2007 Bonds Reserve Account and paying costs of issuance of the Series 2007 Bonds and related costs, there shall be issued, if and when issued, the Series 2007 Bonds of the Issuer, in an aggregate principal amount of not more than $7,000,000. The Series 2007 Bonds shall be designated "The City of Huntington (West Virginia) Sewer Refunding Revenue Bonds, Series 2007" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2007 Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2007 Bonds shall be numbered from CR-1 consecutively upward. The Series 2007 Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

D. Following enactment of this Ordinance, the Issuer may determine that it is not in the best interest of its residents or users of the System to issue the Series 2007 Bonds authorized by this Ordinance, or the Issuer may determine that it is in the best interest of its residents and users of the System to issue the three series of Series 2006 Bonds authorized by this Ordinance at separate times and not simultaneously with one another.

Section 3.11. Book Entry System for Series 2006 Bonds.

The Series 2006 A Bonds, the Series 2006 B Bonds, and the Series 2007 Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2006 A Bonds, the Series 2006 B Bonds and the Series 2007 Bonds, respectively, of each maturity, and shall be registered in the name of Cede & Co., as nominee of DTC. Notwithstanding anything herein to the contrary contained, so long as the Series 2006 A Bonds, Series 2006 B Bonds and Series 2007 Bonds are so issued and registered, DTC (or its nominee) shall be treated as the sole Registered Owner for all purposes hereunder. Each Bond shall bear a legend substantially to the following effect "Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this certificate is presented by an authorized representative of DTC, to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein."

With respect to Series 2006 Bonds registered in the records of the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent shall have no responsibility or obligation to any other participant in DTC or to any Person on behalf of whom such a participant in DTC holds a beneficial interest in the Series 2006 Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any other participant in DTC with respect to any beneficial ownership interest in any Bond, (ii) the delivery to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any notice with respect to any Series 2006 Bonds, including without limitation any notice of redemption, tender, purchase or any event which would or could give rise to a tender or purchase right or option with respect to any Bond, (iii) the payment to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any amount with respect to principal of, premium, if any, or interest on, any Bond, or (iv) any consent given by DTC as Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent shall be entitled to treat and consider the Person in whose name each Bond is registered in the records of the Registrar as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption, sale, purchase or any event which would or could give rise to a sale or purchase right or option with respect to any Bond for the purpose of making payment of any purchase price of such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Issuer and Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2006 Bonds and the purchase price of any Bond only to or upon the order of the respective Registered Owners, as shown in the records of the Registrar as provided in this Ordinance, or their respective attorneys or legal representatives duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2006 Bonds to the extent of the sum or sums so paid. No Person other than a Registered Owner, as shown in the records of the Registrar, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to this Ordinance.

The Registered Owners have no right to a depository for the Series 2006 Bonds. The Issuer may remove DTC or any successor thereto for any reason at any time. In such event or in the event DTC shall notify the Issuer that DTC is discontinuing its book-entry system for the Series 2006 Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act, notify DTC of the appointment of such successor securities depository and transfer one or more separate Bond certificates to such successor securities depository or (ii) notify DTC of the availability through the DTC of Bond certificates and transfer one or more separate Bond certificates to other participants or beneficial owners as DTC may direct. In such event, the Series 2006 Bonds shall no longer be restricted to being registered in the records of the Registrar in the name of Cede & Co., as nominee, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names other participants in DTC receiving Series 2006 Bonds shall designate, in accordance with the provisions of this Ordinance. The provisions of this Section applicable to DTC shall apply, mutatis mutandis, to any successor depository performing the same functions hereunder as DTC.

The Issuer represents hereby that it has executed a Letter of Representations, the terms of which are applicable to the issuance of the Series 2006 Bonds hereunder. Such Letter of Representations is for the purpose of effectuating the Book-Entry Only System only and shall not be deemed to amend, supersede or supplement the terms of this Ordinance which are intended to be complete without reference to the Letter of Representations. In the event of any conflict between the terms of the Letter of Representations and the terms of this Ordinance, the terms of this Ordinance shall control. DTC may

exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 3.12. Delivery of Series 2006 Bonds.

The Issuer shall execute and deliver the Series 2006 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2006 Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2006 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 Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2006 Bonds to DTC for the benefit of the Original Purchaser;

(C) Copies of this Ordinance and the Supplemental Resolution certified by the Clerk;

(D) The unqualified approving opinion of Bond Counsel regarding the Series 2006 Bonds; and

(E) A copy of such other documents and certificates as the Original Purchaser may reasonably require.

Section 3.13. Form of Series 2006 Bonds.

A. The definitive Series 2006 A Bonds shall be in substantially the form set forth in EXHIBIT A - SERIES 2006 A BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2006 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2006 A Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

B. The definitive Series 2006 B Bonds shall be in substantially the form set forth in EXHIBIT B - SERIES 2006 B BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2006 B Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2006 B Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

C. The definitive Series 2007 Bonds shall be in substantially the form set forth in EXHIBIT C - SERIES 2007 BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2007 Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2007 Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2006 A Bonds.

Upon the issuance and delivery of the Series 2006 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on Series 2006 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2006 A Bonds Sinking Fund and applied to payment of interest on the Series 2006 A Bonds at the first interest payment date.

B. An amount of the proceeds of the Series 2006 A Bonds which shall be sufficient to accomplish the payment of the outstanding principal balance and defeasance of the Series 2003 A Notes, which amount shall be set forth in the 2003 Prepayment Agreement, shall be deposited in the 2003 Prepayment Fund.

C. The amount of Series 2006 A Bonds Proceeds equal to the Series 2006 A Bonds Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Series 2006 A Bonds Reserve Account, provided that, to the extent the Series 2006 A Bonds Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the Series 2003 Ordinance for the applicable series of Bonds, Series 2006 A Bond Proceeds shall be deposited in the Series 2006 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2006 A Bonds Reserve Account Requirement.

D. The balance of the proceeds of the Series 2006 A Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2006 A Bonds at the written direction of the Issuer. Moneys 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 90 days of the Closing Date, such unapplied proceeds shall be transferred by the Issuer and deposited in the Series 2006 A Bonds Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 2006 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the Series 2006 A Bonds from which such proceeds are derived.

Section 3.15. Disposition of Proceeds of Series 2006 B Bonds.

Upon the issuance and delivery of the Series 2006 B Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on Series 2006 B Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2006 B Bonds Sinking Fund and applied to payment of interest on the Series 2006 B Bonds at the first interest payment date.

B. An amount of the proceeds of the Series 2006 B Bonds which shall be sufficient to accomplish the payment of the outstanding principal balance and defeasance of the Series 2003 B Notes, which amount shall be set forth in the 2003 Prepayment Agreement, shall be deposited in the 2003 Prepayment Fund.

C. The amount of Series 2006 B Bonds Proceeds equal to the Series 2006 B Bonds Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Series 2006 B Bonds Reserve Account, provided that, to the extent the Series 2006 B Bonds Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the Series 2003 Ordinance for the applicable series of Bonds, Series 2006 B Bond Proceeds shall be

deposited in the Series 2006 B Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2006 B Bonds Reserve Account Requirement.

D. The balance of the proceeds of the Series 2006 B Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2006 B Bonds at the written direction of the Issuer. Moneys 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 90 days of the Closing Date, such unapplied proceeds shall be transferred by the Issuer and deposited in the Series 2006 B Bonds Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 2006 B Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the Series 2006 B Bonds from which such proceeds are derived.

Section 3.16. Disposition of Proceeds of Series 2007 Bonds.

Upon the issuance and delivery of the Series 2007 Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on Series 2007 Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2007 Bonds Sinking Fund and applied to payment of interest on the Series 2007 Bonds at the first interest payment date.

B. An amount of the proceeds of the Series 2007 Bonds, together with all moneys in the funds and accounts created by the Series 1993 Ordinance for the payment of the Series 1993 Bonds, sufficient to accomplish the refunding and defeasance of Series 1993 Bonds, which amount shall be set forth in the 1993 Prepayment Agreement, shall be deposited in the 1993 Prepayment Fund.

C. The amount of Series 2007 Bonds Proceeds equal to the Series 2007 Bonds Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Series 2007 Bonds Reserve Account, provided that, to the extent the Series 2007 Bonds Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the Prior Ordinances for the applicable series of Bonds, Series 2007 Bond Proceeds shall be deposited in the Series 2007 Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2007 Bonds Reserve Account Requirement.

D. The balance of the proceeds of the Series 2007 Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2007 Bonds and miscellaneous costs of refunding the Series 1993 Bonds at the written direction of the Issuer. Moneys not to be applied immediately to pay such costs of issuance and refunding 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 90 days of the Closing Date, such unapplied proceeds shall be transferred by the Issuer and deposited in the Series 2007 Bonds Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 2007 Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the Series 2007 Bonds from which such proceeds are derived.

Section 3.17. Designation of Bonds as "Qualified Tax-Exempt Obligations".

The Issuer hereby designates the Series 2006 A Bonds and Series 2007 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2006 A Bonds and the Series 2007 Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2006 A Bonds and the Series 2007 Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2006.

ARTICLE IV

SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank or Prepayment Agent.

Pursuant to this Article IV, the following special funds are created with (or continued if previously established by the Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other, (except as set forth in this Section 4.01) and used solely for the purposes provided herein:

(1) Revenue Fund (established by the Prior Ordinances);

(2) Depreciation Fund (established by the Prior Ordinances);

(3) Costs of Issuance Fund;

(4) Operation and Maintenance Surcharge Account (previously established when the Surcharge was implemented);

(5) Rebate Fund;

(6) 2003 Prepayment Fund; and

(7) When the Series 2007 Bonds are issued, the 1993 Prepayment Fund.

Moneys in such Funds and Subaccounts, may be commingled and aggregated by the Depository Bank if so directed by the Issuer, for purposes of investment of such funds, but separate accounting shall be maintained for each such fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission in addition to Funds and Accounts created by the Prior Ordinances.

In addition to the funds and accounts created by the Prior Ordinances, pursuant to this Article IV, the following special funds and accounts are hereby established (or continued if previously established by the Prior Ordinances), with and shall be held by the Bond Commission:

(1) Series 2006 A Bonds Sinking Fund;

(a) the Series 2006 A Bonds Reserve Account; and

(b) Within the Series 2006 A Bonds Sinking Fund, the Series 2006 A Bonds Redemption Account.

(2) Series 2006 B Bonds Sinking Fund; and

(a) Within the Series 2006 B Bonds Sinking Fund, the Series 2006 B Bonds Reserve Account; and

(b) Within the Series 2006 B Bonds Sinking Fund, the Series 2006 B Bonds Redemption Account.

(3) Series 2007 Bonds Sinking Fund.

(a) Within the Series 2007 Bonds Sinking Fund, the Series 2007 Bonds Reserve Account; and

(b) Within the Series 2007 Bonds Sinking Fund, the Series 2007 Bonds Redemption Account.

In addition to the foregoing funds and accounts established or continued in this Section 4.01, Section 4.02, and Section 4.03, the Issuer may establish such other funds and accounts as it may deem appropriate for any particular series of Bonds by provision therefor in a Supplemental Resolution.

Section 4.03. Surcharges and Application Thereof.

(1) The Issuer shall, on the first day of each month, transfer from the Revenue Fund and deposit in the Operation and Maintenance Surcharge Account, the Surcharges collected for the month;

(a) The Issuer shall next, on the first day of each month, transfer from the Operation and Maintenance Surcharge Account to the Commission, commencing 7 months prior to the first interest payment date of the Series 2006 B Bonds, for deposit in the Series 2006 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2006 B Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2006 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2006 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2006 B Bonds deposited therein;

(b) The Issuer shall next, on the first day of each month, transfer from the Operation and Maintenance Surcharge Account to the Commission, commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2006 B Bonds, for deposit in the Series 2006 B Bonds Sinking Fund and in the Series 2006 B Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2006 B Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2006 B Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date; and

(c) The Issuer shall next, on the first day of each month, transfer from the Operation and Maintenance Surcharge Account to the Commission, for deposit in the Series 2006 B Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2006 B Bonds Reserve Account below the Series 2006 B Bonds Reserve Requirement or any withdrawal from

the Series 2006 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2006 B Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2006 B Bonds Reserve Account is less than the Series 2006 B Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2006 B Bonds Reserve Account for deposit into the Series 2006 B Bonds Sinking Fund.

Moneys in the Series 2006 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2006 B Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2006 B Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2006 B Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Series 2006 B Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2006 B Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2006 B Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

Amounts in the Series 2006 B Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2006 B Bonds when due, when amounts in the Series 2006 B Bonds Sinking Fund are insufficient therefor and for no other purpose.

Principal and interest payments, and any payments made from the Surcharge for the purpose of funding the Series 2006 B Bonds Reserve Account, shall be made on a parity basis and pro-rata, with respect to the Series 2006 B Bonds, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required hereby.

Additional provisions regarding the funds and accounts established for the Series 2006 B Bonds are further set forth in Section 4.03.

Section 4.04. System Revenues and Application Thereof.

So long as any of the Series 2006 A Bonds and Series 2007 Bonds, if issued, shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer, the amounts required by the Prior Ordinances and the Series 1993 Ordinance, respectively, to pay the interest on the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer; (ii) commencing 7 months prior to the first interest payment date of the Series 2006 A Bonds, for deposit in the Series 2006 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2006 A Bonds on the next ensuing semiannual

interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2006 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2006 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2006 A Bonds deposited therein; and (iii) commencing 7 months prior to the first interest payment date of the Series 2007 Bonds, for deposit in the Series 2007 Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2007 Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2007 Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2007 Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2007 Bonds deposited therein.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer, the amounts required by the Prior Ordinances and the Series 1993 Ordinance, respectively, to pay the principal of the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer; (ii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2006 A Bonds, for deposit in the Series 2006 A Bonds Sinking Fund and in the Series 2006 A Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2006 A Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2006 A Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date; and (iii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2007 Bonds, for deposit in the Series 2007 Bonds Sinking Fund and in the Series 2007 Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2007 Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2007 Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Reserve Accounts of the Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer, the amount required by the Prior Ordinances and the Series 1993 Ordinance; (ii) for deposit in the Series 2006 A Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2006 A Bonds Reserve Account below the Series 2006 A Bonds Reserve Requirement or any withdrawal from the Series 2007 Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2006 A Bonds Reserve Account results in a determination that the amount of moneys and

the value of the Qualified Investments deposited to the credit of the Series 2006 A Bonds Reserve Account is less than the Series 2006 A Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2006 A Bonds Reserve Account for deposit into the Series 2006 A Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2006 A Bonds Reserve Account to an amount equal to the Series 2006 A Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2006 A Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2006 A Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2006 A Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2006 A Bonds Reserve Requirement; and (iii) for deposit in the Series 2007 Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2007 Bonds Reserve Account below the Series 2007 Bonds Reserve Requirement or any withdrawal from the Series 2007 Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2007 Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2007 Bonds Reserve Account is less than the Series 2007 Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2007 Bonds Reserve Account for deposit into the Series 2007 Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2007 Bonds Reserve Account to an amount equal to the Series 2007 Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2007 Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2007 Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2007 Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2007 Bonds Reserve Requirement.

(5) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Depreciation Fund a sum equal to not less than 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.

(6) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

(7) The Issuer may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining revenues ("Surplus Revenues") to payment of debt service on subordinate bonds, notes, certificates or other obligations of the System. Any Surplus Revenues then remaining in the Revenue Fund may be used for any lawful purpose of the System.

Moneys in the Series 2006 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2006 A Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2006 A Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2006 A Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.

Moneys in the Series 2007 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2007 Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2007 Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2007 Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Series 2006 A Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2006 A Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2006 A Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

The Issuer shall not be required to make any further payments into the Series 2007 Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2007 Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2007 Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

The payments into each of the respective Series 2006 Bonds Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

Amounts in the Series 2006 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2006 A Bonds when due, when amounts in the Series 2006 A Bonds Sinking Fund are insufficient therefor and for no other purpose.

Amounts in the Series 2007 Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2007 Bonds when due, when amounts in the Series 2007 Bonds Sinking Fund are insufficient therefor and for no other purpose.

Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes and in the following order of priority for the Prior Bonds, the Series 2006 A Bonds and the Series 2007 Bonds:

(a) To make up any deficiency in any Reserve Account (so that the amount on deposit therein is at least equal to the applicable Reserve Account Requirement);

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Funds (including the Reserve Accounts); and

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System.

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created or continued hereunder, and all amounts required for said Sinking Funds shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Bonds, by the Issuer at the times and as otherwise provided herein. All remittances

made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited. Notwithstanding the foregoing, however, the Bond Commission shall deposit all remittances in the fund or account in the priority established by this Ordinance.

C. If on any monthly payment date the Surcharge or the Net Revenues, as applicable, are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.04 and the Surcharge and the Net Revenues, as applicable, shall be applied to such deficiencies before being applied to any other payments hereunder.

D. Principal and interest payments, and any payments made from the Net Revenues for the purpose of funding the Prior Bonds, the Series 2006 A Bonds and Series 2007 Reserve Accounts, shall be made on a parity basis and pro-rata, with respect to the Prior Bonds, the Series 2006 A Bonds, the Series 2007 Bonds, or, the Series 1993 Bonds, if not refunded by the Issuer, and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required hereby.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES AND CONTINUING DISCLOSURE AGREEMENT

Section 5.01. Investments.

The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such 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 Issuer shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Depreciation Fund or any Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 3 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to, semiannually transfer from each Reserve Account to the corresponding Sinking Fund any earnings on the moneys deposited therein and any other funds in excess of the applicable Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in each Reserve Account an amount at least equal to the applicable Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from a Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in a Reserve Account shall, at any time, be less than the applicable Reserve Requirement, the applicable Bond Insurer, if any, shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the applicable 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 Bonds 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 moneys deposited in any Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6(c) of the Code of West Virginia, 1931, as amended.

Section 5.02. Arbitrage.

The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2006 A Bonds and the Series 2007 Bonds in such manner and to such extent as may be necessary, so that such Series 2006 A Bonds and Series 2007 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 2006 A Bonds and the Series 2007 Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate, Rebates and Rebate Fund.

The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2006 A Bonds and Series 2007 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be 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 Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if

necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 5.04. Continuing Disclosure Agreement.

The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable.

All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2006 Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2006 Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2006 Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer.

The Series 2006 Bonds shall not be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Surcharge or Net Revenues, as applicable, of the System, the moneys in the respective Series 2006 Bonds Sinking Funds and the respective Series 2006 Bonds Reserve Accounts therein and the unexpended proceeds of the Series 2006 Bonds, all as herein provided. No Holder or Holders of the Series 2006 Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2006 Bonds or the interest thereon.

Section 6.03. Series 2006 B Bonds Secured by Pledge of Surcharge.

The payment of the debt service of all of the Series 2006 B Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Surcharge derived from the System and all moneys in the Series 2006 B Bonds Sinking Fund, including the Series 2006 B Bonds Reserve Account therein. The Surcharge derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2006 B Bonds and to make the payments into all funds and accounts and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Series 2006 B Bonds as the same become due and for the other purposes provided in this Ordinance.

Section 6.04. Series 2006 A Bonds and Series 2007 Bonds Secured by Parity Pledge of Net Revenues; Lien Position with Respect to Prior Bonds.

The payment of the debt service of all of the Series 2006 A Bonds and Series 2007 Bonds issued hereunder 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 lien on the Net Revenues in favor of the Holders of the Outstanding Prior Bonds, and all moneys in the Series 2006 A Bonds Sinking Fund and Series 2007 Bonds Sinking Fund, including the Series 2006 A Bonds Reserve Account therein and the Series 2007 Bonds Reserve Account therein. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Outstanding Prior Bonds and the Series 2006 A Bonds and Series 2007 Bonds and to make the payments into all funds and accounts and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Outstanding Prior Bonds, and the Series 2006 A Bonds and the Series 2007 Bonds as the same become due and for the other purposes provided in this Ordinance.

Section 6.05. Surcharge.

The Issuer hereby covenants that it will keep the surcharge in effect until the Series 2006 B Bonds are paid in full pursuant to the Commission Order of the Public Service Commission of West Virginia in Case No. 04-0949-S-MA.

Section 6.06. Rates.

Prior to the issuance of the Series 2006 A Bonds and Series 2007 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that (i) so long as the Series 1993 Bonds or the Series 2007 Bonds are Outstanding, the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, and 115% thereafter; provided that, in the event the Series 1993 Bonds and the Series 2007 Bonds are no longer outstanding and an amount equal to or in excess of the respective Prior Bonds' Reserve Account Requirements and the Series 2006 A Bonds Reserve Account Requirement are on deposit in the respective Prior Bonds' Reserve Accounts and the Series 2006 A Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Prior Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

Section 6.07. Operation and Maintenance.

The Issuer will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the Net Revenues of said System in the manner provided in this Ordinance.

Section 6.08. Sale of the System.

So long as the Prior Bonds, the Series 2006 A Bonds, Series 2007 Bonds, or the Series 1993 Bonds, if not refunded by the Issuer, are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in this Ordinance, and the Prior Ordinances. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after

such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Issuer shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Issuer shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund or the Depreciation Account shall reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $200,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.09. Issuance of Other Obligations Payable Out of Surcharge of the System.

The Issuer shall not issue any other obligations whatsoever payable from the Surcharge of the System. The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge upon the Surcharge of the System pledged for payment of the Bonds and the interest thereon in this Ordinance.

Section 6.10. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances.

The Issuer shall not issue any other obligations whatsoever, except additional parity Bonds provided for in Section 6.11 hereof, payable from the Net Revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Net Revenues with the Bonds; and all obligations hereafter issued by the Issuer payable from the revenues of the System, except such additional Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such additional parity Bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 6.11. Additional Parity Bonds Payable Out of the Net Revenues of the System.

So long as the Prior Bonds, or the Series 1993 Bonds, if not refunded by the Issuer, are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances and the Series 1993 Ordinance shall be applicable. No additional parity Bonds, as in this section defined, payable out of the Net Revenues of the System shall be issued after the issuance of the Series 2006 A Bonds and Series 2007 Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived, from the System during the 12 consecutive months in the 18 months immediately preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall, so long as any of the Series 1993 Bonds or Series 2007 Bonds are outstanding, not be less than 120% of the Maximum Annual Debt Service, and thereafter, shall not be less than 115% of the Maximum Annual Debt Service, on the following:

(1) The Prior Bonds and the Series 1993 Bonds, if not refunded by the Issuer, then Outstanding;

(2) The Series 2006 A Bonds and Series 2007 Bonds then Outstanding;

(3) Any additional parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(4) The additional parity Bonds then proposed to be issued.

The "increased annual Net Revenues expected to be received" as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the Clerk of the Issuer prior to the issuance of such additional parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The term "additional parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Series 2006 A Bonds and Series 2007 Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2006 A and Series 2007 Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on

the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "additional parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Net Revenues of the System of which is subject to the prior and superior lien of the Bonds on such Net Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from Surplus Revenues. The Issuer shall not issue any obligations whatsoever payable from the Net Revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Net Revenues, with the Bonds, except in the manner and under the conditions provided in this section.

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then Outstanding, if any (excluding the Depreciation Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the additional parity Bonds.

Section 6.12. Insurance and Bonds.

The Issuer hereby covenants and agrees, that so long as the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the time of war the Issuer will also carry and maintain insurance to the extent available against risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repairs and restoration of the damaged and destroyed properties or for the other purposes provided herein for the Depreciation Fund.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

C. WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

D. FLOOD INSURANCE, to extent available at reasonable cost to the Issuer.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F. FIDELITY BONDS will be provided as to every officer and employee of the Issuer or the Council having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

Section 6.13. No Free Services.

The Issuer will not render or cause to be rendered any free services of any nature by its System; and, in the event the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.14. Enforcement of Collections.

The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System to all delinquent users of services and facilities of the System and will not restore such services of the System until all billing for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, has been fully paid.

Section 6.15. No Competing Franchise.

To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.16. Books and Records.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds shall have the right at

all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as it shall direct.

The Issuer shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 120 days following the end of each Fiscal Year containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The Issuer shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, a monthly unaudited report within 30 days following the end of each month containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Surcharges and Net Revenues derived from the System.

(B) A statement of account balances in the Sinking Fund accounts provided for in this Ordinance and status of said funds.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Holder or Holders of Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.17. Operating Budget.

The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by its charter or the charter of the Issuer, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.18. Tax Covenants.

The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2006 A Bonds and the Series 2007 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 Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the 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 2006 A Bonds and the Series 2007 Bonds during the terms 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 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 2006 A Bonds and Series 2007 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 2006 A Bonds or Series 2007 Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2006 A Bonds or the Series 2007 Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2006 A Bonds or the Series 2007 Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2006 A Bonds and the Series 2007 Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2006 A Bonds and the Series 2007 Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.19. Covenants Regarding the Municipal Bond Insurance Policy.

The Issuer intends to obtain a Municipal Bond Insurance Policy for the Series 2007 Bonds from the Bond Insurer. Certain additional covenants of the Issuer, which shall be set forth in full in the Supplemental Resolution, are required by the Bond Insurer as a condition to insuring the Series 2007 Bonds, shall apply to the Series 2007 Bonds and any other Bonds which may be insured by the Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default With Respect to the Series 2006 A Bonds and Series 2007 Bonds.

Each of the following events shall constitute an "Event of Default" with respect to the Series 2006 A Bonds and Series 2007 Bonds:

(A) If default by the Issuer occurs in the due and punctual payment of the principal of or interest on any Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Insurer;

(C) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(D) If the Issuer defaults on the Prior Bonds or the Series 1993 Bonds, if not refunded by the Issuer, or the Prior Ordinances or the Series 1993 Ordinance, if the Series 1993 Bonds are not refunded by the Issuer pursuant to this Ordinance.

Section 7.02. Events of Default With Respect to the Series 2006 B Bonds.

Each of the following events shall constitute an "Event of Default" with respect to the Series 2006 B Bonds:

(A) If default by the Issuer occurs in the due and punctual payment of the principal of or interest on the Series 2006 B Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Series 2006 B Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the Bondholder of the Series 2006 B Bonds or any Insurer; or

(C) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America.

Section 7.03. Enforcement With Respect to the Series 2006 A Bonds and Series 2007 Bonds.

For purposes of this Section, any reference to Bondholder shall only include the Bondholders of the Prior Bonds, the Series 2006 A Bonds and the Series 2007 Bonds. Upon the happening and continuance of an Event of Default as more fully defined and described in Section 7.01 hereof, any Bondholder or any Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Bonds;

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.04. Enforcement Regarding Series 2006 B Bonds.

For purposes of this Section, any reference to Bondholder shall only include the Bondholder of the Series 2006 B Bonds. Upon the happening and continuance of any Event of Default as more fully defined and described in Section 7.02 hereof, the Bondholder of the Series 2006 B Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Series 2006 B Bonds;

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and

shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.05. Appointment of Receiver.

If there be any Event of Default existing and continuing, any Bondholder or any Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate, maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the 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 Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Holders of the Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and the Bondholders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

Section 7.06. Restoration of Issuer and Bondholder.

In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR, PAYING AGENT AND DEPOSITORY BANK

Section 8.01. Appointment of Registrar, Paying Agent and Depository Bank.

The Registrar, Paying Agent and Depository Bank (collectively, the "Fiduciaries") for the Series 2006 Bonds shall be appointed pursuant to the Supplemental Resolution. The City Manager of the Issuer is hereby authorized and directed to enter into an agreement with the Fiduciaries, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Fiduciaries.

The recitals of fact in the Bonds shall be taken as statements of the Issuer, and the Fiduciaries shall not be responsible for their accuracy. The Fiduciaries shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Bonds. The Fiduciaries and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Fiduciaries May Act.

Except as otherwise provided by Section 10.02, the Fiduciaries shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by them to be genuine and to have been signed or presented by the proper party or parties. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion such Fiduciary may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses.

The Issuer shall pay to the Fiduciaries from time to time reasonable compensation for all services, including the transfer of registration of Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of their duties hereunder.

Section 8.05. Certain Permitted Acts.

The Registrar may become the owner of or may deal in Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds Outstanding.

Section 8.06. Resignation of Registrar.

The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately.

Section 8.07. Removal.

The Registrar may be removed at any time by the Issuer or by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

Section 8.08. Appointment of Successor.

In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor.

Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any moneys, books and records held by it to its successor.

Section 8.10. Merger or Consolidation.

Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such

company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication.

In case any of the Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent and Depository Bank.

The Registrar shall also serve as the Paying Agent and Depository Bank. The Registrar's acceptance of the duties and responsibilities of the Registrar expressed in Section 8.02 shall also include the trusts and the duties of Paying Agent and Depository Bank. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from moneys available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All moneys received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance.

If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Net Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

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 Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either 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 Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance.

This Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, solely for the purpose of maintaining the tax-exempt status of the Bonds, provided that, in the event any of the Bonds are insured, no such amendment or modification which adversely affects the security for such Bonds or the rights of the applicable Bond Insurer for such Bonds may be effected without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Bonds then Outstanding and affected thereby and the Bond Insurer, which must be filed with the Clerk of the Issuer before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds.

Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents.

To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds.

All Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds.

Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the Issuer. If any of said Bonds is a coupon Bond, the Registrar or said Paying Agent shall also publish such notice, not less than 30 days prior to the date such moneys will be returned to the Issuer, in an Authorized Newspaper.

Section 10.06. Notices, Demands and Requests.

Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

CITY

The City of Huntington
City Hall
Post Office Box 1659

Huntington, West Virginia 25717
Attention: Chairman, Sanitary Board

REGISTRAR AND PAYING AGENT

[Name and address
to be set forth in the
Supplemental Resolution]

DEPOSITORY BANK

[Name and address
to be set forth in the
Supplemental Resolution]

ORIGINAL PURCHASER

Ross, Sinclaire & Associates, Inc.
400 Democrat Drive
Frankfort, Kentucky 40601

BOND INSURER

[Name and address
to be set forth in the
Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability.

No member of the Council or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable.

The laws of the State shall govern the construction of this Ordinance and of all Bonds issued hereunder.

Section 10.09. Parties Interested Herein.

Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions.

If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headings.

The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed.

All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed, provided however, that the Prior Ordinances and the Series 1993 Ordinance shall remain in full force and effect so long as any of the Prior Bonds or Series 1993 Bonds, if not refunded by the Issuer, are Outstanding.

Section 10.13. Covenant of Due Procedure, Etc.

The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the Council were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 10.14. Procedure on Enactment of Ordinance; Public Hearing.

Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in The Herald Dispatch , a newspaper published and having a general circulation in The City of Huntington, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds described in this Ordinance and that any person interested may appear before the Council of the Issuer at the public hearing to be had at a public meeting of the Council on January 10, 2005, at 7:30 p.m., in the meeting room of the Council in the City Hall of The City of Huntington and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

First Reading:	December 13, 2004
Second Reading:	December 17, 2004
Passed on Final Reading Following Public Hearing:	January 10, 2005

Section 10.15. Effective Date.

This Ordinance shall take effect immediately upon enactment.

SIGNATURES

Enacted on the 10th day of January, 2005, and conformed as of December 10, 2007 pursuant to a Supplemental Parameters Resolution.

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the Council of THE CITY OF HUNTINGTON at a regular meeting of the Council held at 7:30 p.m., on January 10, 2005, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in The City of Huntington, the first publication having been not less than 10 days prior to such public hearing.

Dated this 20th day of December, 2007.

[SEAL]

Barbara Nelson
City Clerk

EXHIBIT A - SERIES 2006 A BOND FORM

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 2006 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2006 A" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 2006, the proceeds of which are to be used (i) to pay the outstanding principal balance of The City of Huntington Sewerage System Bond Anticipation Notes, Series 2003 A (Tax-Exempt), currently outstanding in the aggregate principal amount of $ (the "Series 2003 A Notes"), which Series 2003 A Notes were issued to temporarily finance the cost of construction of certain additions, betterments and improvements to the public municipal sewerage system of the Issuer; (ii) to fund a reserve account for the Series 2006 A Bonds; and (iii) to pay costs of issuance of the Series 2006 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on _____, 2006, and supplemented by a supplemental resolution adopted by said Council on _____, 2006 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Huntington, West Virginia.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on or after _____, _____ are subject to redemption prior to maturity at the option of the Issuer on and after _____, _____, in whole or in part at any time, in such order of maturity as shall be designated to the Registrar by the Issuer and by lot within a maturity, at the following redemption prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to annual mandatory redemption prior to maturity by random selection on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing

Year ( ) Principal Amount

Bonds Maturing

Year ( ) Principal Amount

_____
* Final Maturity

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 18, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,100,000 (THE "SERIES 1993 BONDS"), SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"), SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550 (THE "SERIES 1999 BONDS"), SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 A BONDS" AND TOGETHER WITH THE SERIES 1997 BONDS, THE SERIES 1999 BONDS AND THE SERIES 1993 BONDS ARE COLLECTIVELY REFERRED TO HEREIN AS THE "PRIOR BONDS").

The Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and the Series 2006 A Bonds and from moneys in the Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer hereby covenants and agrees that (i) so long as the Series 1993 Bonds are Outstanding, the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, and thereafter 115% of such amount; provided that, in the event the Series 1993 Bonds are no longer outstanding and an amount equal to or in excess of the respective Prior Bonds' Reserve Account Requirements and the Series 2006 A Bonds Reserve Account Requirement are on deposit in the respective Prior Bonds' Reserve Accounts and the Series 2006 A Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Prior Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay the outstanding principal balance of the Series 2003 A Notes, fund a reserve account for the Bonds and pay all costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that the Surcharge of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2006 A Bonds.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond has been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Bond is issued, shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____
_____
_____ the within Bond and
does hereby irrevocably constitute and appoint
_____
_____ to transfer the said
Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

EXHIBIT B - SERIES 2006 B BOND FORM

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REVENUE BOND, SERIES 2006 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Huntington (West Virginia) Sewer Revenue Bonds, Series 2006 B" (Taxable) (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 2006, the proceeds of which are to be used (i) to pay the outstanding principal balance of The City of Huntington Sewerage System Bond Anticipation Notes, Series 2003 B (Taxable), currently outstanding in the aggregate principal amount of $ (the "Series 2003 B Notes"), which Series 2003 B Notes were issued to temporarily finance sinking fund and debt service reserve account arrearages related to the Prior Bonds (as defined herein) and to reimburse the Issuer for expenditures previously made by the Issuer with respect to the Harveytown and Lawson Heights grant projects; (ii) to permanently finance sinking fund and debt service reserve account arrearages related to the Prior Bonds; (iii) to fund a reserve account for the Series 2006 B Bonds; and (iv) to pay costs of issuance of the Series 2006 B Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on _____, 2006, and supplemented by a supplemental resolution adopted by said Council on _____, 2006 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Huntington, West Virginia.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on or after _____, _____ are subject to redemption prior to maturity at the option of the Issuer on and after _____, _____, in whole or in part at any time, in such order of maturity as shall be designated to the Registrar by the Issuer and by lot within a maturity, at the following redemption prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

The Bonds and the interest thereon are payable only from and are secured by the Surcharge on the System (as defined in the Ordinance), and from moneys in the Series 2006 B Bonds Sinking Fund and the Series 2006 B Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Surcharge shall be sufficient to pay the principal of and interest on the Series 2006 B Bonds and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Surcharge, the moneys in the Series 2006 B Bonds Sinking Fund and the Series 2006 B Bonds Reserve Account and unexpended proceeds of the Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay costs to pay the outstanding principal balance of the Series 2003 B Notes, fund a reserve account for the Bonds and pay all costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Surcharge of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Bonds.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Bond is issued, shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to annual mandatory redemption prior to maturity by random selection on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing

Year ( )	Principal Amount

Bonds Maturing

Year ( )	Principal Amount

_____
* Final Maturity

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

_____

_____ the within Bond and

does hereby irrevocably constitute and appoint

_____

_____ to transfer the said

Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

EXHIBIT C - SERIES 2007 BOND FORM

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWER REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20___ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Huntington (West Virginia) Sewer Refunding Revenue Bonds, Series 2007" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 2006, the proceeds of which are to be used (i) to refund The City of Huntington Sewerage System Refunding Revenue Bonds, Series 1993, currently outstanding in the aggregate principal amount of $ (the "Series 1993 Bonds"), which Series 1993 Bonds were issued to refinance the cost of construction of certain additions, betterments and improvements to the public municipal sewerage system of the Issuer; (ii) to fund a reserve account for the Series 2007 Bonds; and (iii) to pay costs of issuance of the Series 2007 Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on _____, 2006, and supplemented by a supplemental resolution adopted by said Council on _____, 2006 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Huntington, West Virginia.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on or after _____, _____ are subject to redemption prior to maturity at the option of the Issuer on and after _____, _____, in whole or in part at any time, in such order of maturity as shall be designated to the Registrar by the Issuer and by lot within a maturity, at the following redemption prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to annual mandatory redemption prior to maturity by random selection on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing

Year ( ) Principal Amount

Bonds Maturing

Year ( ) Principal Amount

_____
* Final Maturity

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"), SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550 (THE "SERIES 1999 BONDS"), SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 A BONDS"), SEWER REVENUE BONDS, SERIES 2006 A, DATED _____, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2006 A BONDS" AND TOGETHER WITH THE SERIES 1997 BONDS, THE SERIES 1999 BONDS AND THE SERIES 2000 BONDS, COLLECTIVELY REFERRED TO HEREIN AS THE "PRIOR BONDS").

The Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds and from moneys in the Series 2007 Bonds Sinking Fund and the Series 2007 Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2007 Bonds Sinking Fund and the Series 2007 Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer hereby covenants and agrees that (i) so long as the Series 1993 Bonds are Outstanding, the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, and thereafter 115% of such amount; provided that, in the event the Series 1993 Bonds are no longer outstanding and an amount equal to or in excess of the respective Prior Bonds' Reserve Account Requirements and the Series 2007 Bonds Reserve Account Requirement are on deposit in the respective Prior Bonds' Reserve Accounts and the Series 2007 Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Prior Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay costs to refund the Series 1993 Bonds, fund a reserve account for the Bonds and pay all costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have

existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond has been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Bond is issued, shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____
_____
_____ the within Bond and does hereby irrevocably constitute and appoint _____
_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

12/05/07
435500.00010

THE CITY OF HUNTINGTON

Sewerage System Refunding Revenue Bonds, Series 2007 (Tax-Exempt)

SUPPLEMENTAL PARAMETERS RESOLUTION

SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE SERIES REDESIGNATION OF THE BONDS; PROVIDING PARAMETERS AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2007 OF THE CITY OF HUNTINGTON; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO ROSS SINCLAIRE & ASSOCIATES, LLC; APPROVING A CONFORMED ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, The City of Huntington (the "Issuer") in the Counties of Cabell and Wayne, State of West Virginia, is a municipal corporation and political subdivision of said State, the governing body of which is its Council (the "Governing Body");

WHEREAS, the Governing Body has duly and officially enacted on January 10, 2005, an Ordinance (the "Ordinance") entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS, SERIES 2005 A (TAX-EXEMPT) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $4,000,000, FOR THE PURPOSE OF PAYING THE OUTSTANDING PRINCIPAL BALANCE OF THE CITY'S SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2003 A (TAX-EXEMPT), AND

PAYING COSTS OF ISSUANCE AND RELATED COSTS; AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS, SERIES 2005 B (TAXABLE) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $2,750,000, FOR THE PURPOSES OF PAYING THE OUTSTANDING PRINCIPAL BALANCE OF THE CITY'S SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2003 B (TAXABLE), FINANCING CERTAIN SINKING FUND AND DEBT SERVICE RESERVE ACCOUNT ARREARAGES FOR THE CITY'S PRIOR BONDS, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS; AUTHORIZING THE ISSUANCE OF SEWER REFUNDING REVENUE BONDS, SERIES 2005 C (TAX-EXEMPT) OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $7,000,000, FOR THE PURPOSE OF REFUNDING THE CITY'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Ordinance when used herein;

WHEREAS, the Sewer Revenue Bonds, Series 2005 C (Tax-Exempt) were not issued in 2005, but will be issued in 2007;

WHEREAS, the Governing Body desires to redesignate the Series 2005 C Bonds as The City of Huntington (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2007 (Tax-Exempt);

WHEREAS, the Ordinance provides for the issuance by the Issuer of its Sewerage System Refunding Revenue Bonds, Series 2007 (Tax-Exempt) in an aggregate principal amount not to exceed $7,000,000 (the "Series 2007 Bonds" or "Bonds") in accordance with Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, the Issuer has determined that it is currently in the best interest of its residents to issue the Series 2007 Bonds;

WHEREAS, the Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Bonds should be established by Supplemental Resolution, that a Registrar, Paying Agent and Depository Bank be designated, that a Bond Purchase Agreement, a Continuing Disclosure Agreement, a Prepayment Agreement, a Registrar Agreement and an Official Statement be approved and that other matters pertaining to the Bonds be provided for by a supplemental resolution of the Governing Body, that additional covenants and provisions relating to the Bonds be provided therein, and as may be required by any Bond Insurer as a condition to insuring such Bonds and that other matters pertaining to the Bonds be provided for by a supplemental resolution of this Governing Body;

WHEREAS, the Bonds are proposed to be purchased by Ross, Sinclaire & Associates, LLC, Frankfort, Kentucky (the "Original Purchaser"), pursuant to a Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof (the "Bond Purchase Agreement");

WHEREAS, the Governing Body has determined that, in order to obtain the best possible savings for the City in the current interest rate environment, the Mayor shall be empowered and authorized to execute the Bond Purchase Agreement, within the parameters set forth herein, at such time as the Mayor shall determine most advantageous to the Issuer, or not at all;

WHEREAS, the Governing Body has determined that the City should purchase a municipal bond insurance policy from Financial Security Assurance Inc., New York, New York, to insure the payment of the principal of, and interest on the Bonds, provided that the Original Purchaser shall supply a certificate that the value of such policy shall exceed the cost thereof, and authorized the Mayor to execute any and all documents, and to take any and all actions required, to obtain such policy;

WHEREAS, the Ordinance has been revised after its adoption and the Governing Body deems it essential and desirable that a Conformed Bond Ordinance be approved and entered into by the Issuer; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental parameters resolution (the "Supplemental Parameters Resolution") be adopted, that the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Prepayment Agreement and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Bonds, hereinafter described, be approved, that the Mayor be authorized to enter into the Bond Purchase Agreement within the parameters hereby approved by the Governing Body, that the Bonds be redesignated, approving a conformed Ordinance, and that other matters relating to the Bonds be herein provided for all in accordance with the Ordinance;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUNTINGTON:

SECTION 1. The Bonds are hereby redesignated as The City of Huntington (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2007 (Tax-Exempt) and shall be numbered from R-1 consecutively upward.

SECTION 2. Pursuant to the Ordinance and the Act, this Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2007 Bonds. The Series 2007 Bonds shall be issued in the aggregate principal amount not to exceed $7,000,000, bear interest at a rate not to exceed 7%, payable semiannually on May 1 and November 1 of each year, commencing May 1, 2008, shall mature on November 1 in such years, shall be dated such date, upon original issuance, shall mature in such principal amounts on such dates (with final maturity no later than November 1, 2028) shall be subject to such redemption provisions, all as shall subsequently be approved by the Mayor; and shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2007 Bonds shall

be as determined by the Mayor at the time of the execution of the Bond Purchase Agreement and as approved by the Mayor in the Certificate of Determinations attached hereto as **EXHIBIT A.** All other provisions relating to the Series 2007 Bonds shall be as provided in the Ordinance, and the Series 2007 Bonds shall be in substantially the form provided in the Ordinance.

SECTION 3. The Issuer hereby approves the Conformed Ordinance attached hereto as **EXHIBIT B,** incorporated herein and made a part hereof.

SECTION 4. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Bonds, including the payment of all necessary fees and expenses in connection therewith.

SECTION 5. Proceeds of the Bonds shall be expended solely for the purposes set forth in the Ordinance.

SECTION 6. The Issuer finds that based upon the assumed principal amount, maturity schedule and interest rates for the Series 2007 Bonds presented to the Issuer by the Original Purchaser, the Series 2007 Bonds show a net present value savings to the Issuer after deducting all expenses of the refunding of the Series 1993 Bonds and the costs of issuing the Series 2007 Bonds.

SECTION 7. "Qualified Investments" shall mean those investments permitted by the Bond Insurer and the Ordinance is hereby amended to reflect such investments.

SECTION 8. The Prepayment Agreement by and between the West Virginia Municipal Bond Commission and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute and deliver the Prepayment Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Prepayment Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

SECTION 9. The Official Statement (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor), and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor is hereby ratified and approved.

SECTION 10. The Registrar Agreement by and between the Issuer and the Registrar designated herein, substantially in the form submitted to this meeting, shall be and the same is hereby approved. The Mayor shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

SECTION 11. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that so long as the Series 2007 Bonds are Outstanding, the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, and thereafter 115% of such amount; provided that, in the event the Series 2007 Bonds are no longer outstanding and any reserve accounts for obligations prior to or on a parity with the Series 2007 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year. The Ordinance is hereby amended to reflect this requirement.

SECTION 12. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Bonds.

SECTION 13. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Paying Agent for the Series 2007 Bonds.

SECTION 14. The Issuer hereby appoints and designates United Bank, Inc., Charleston, West Virginia, as the Depository Bank.

SECTION 15. The Issuer hereby appoints and designates United Bank, Inc., Charleston, West Virginia, as the Registrar.

SECTION 16. The Issuer hereby appoints and designates Financial Security Assurance Inc., New York, New York, as the Bond Insurer for the bonds and hereby consents to and agrees to comply with all requirements of the Bond Insurer notwithstanding anything to the contrary set forth in the Ordinance, including those set forth on **Exhibit C**, Provisions Related to Bond Insurance; and incorporated herein by reference, and the Mayor is authorized to take any and all actions required in connection with obtaining such bond insurance.

SECTION 17. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, including a tax and arbitrage certificate, required or desirable in connection with the Bonds to the end that the Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Agreement.

SECTION 18. The notice addresses for the Depository Bank, Paying Agent, Registrar and Original Purchaser shall be as follows:

DEPOSITORY BANK

United Bank, Inc.
500 Virginia Street, East
Charleston, West Virginia 25301
ATTN: Corporate Trust Department

PAYING AGENT

West Virginia Municipal Bond Commission
#8 Capitol Street, Suite 500
Charleston, WV 25301
Attention: Executive Director

REGISTRAR

United Bank, Inc.
500 Virginia Street, East
Charleston, West Virginia 25301
ATTN: Corporate Trust Department

ORIGINAL PURCHASER

Ross Sinclaire & Associates, Inc.
400 Democrat Drive
Frankfort, Kentucky 40601

BOND INSURER

Financial Security Assurance Inc.
31 W 52nd Street
New York, NY 10019

SECTION 19. The issuance of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

SECTION 20. This Supplemental Parameters Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Left Blank]

Adopted this 10th day of December, 2007.

THE CITY OF HUNTINGTON

By: _____
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Parameters Resolution duly adopted by the Council of THE CITY OF HUNTINGTON on December 10, 2007, which Supplemental Resolution has not been repealed, rescinded, modified, amended or revoked, as of the date hereof.

Dated this 10 day of December, 2007.

By: Barbara Nelson
City Clerk

12.12.07
435500.00010

EXHIBIT A

FORM OF CERTIFICATE OF DETERMINATIONS

THE CITY OF HUNTINGTON
Sewerage System Refunding Revenue Bonds, Series 2007

CERTIFICATE OF DETERMINATIONS

The undersigned, David Felinton, Mayor of The City of Huntington (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on November __, 2007 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Sewerage System Refunding Revenue Bonds, Series 2007 (the "Series 2007 Bonds"), hereby finds and determines as follows:

1. The Series 2007 Bonds shall be dated December __, 2007 shall bear interest on May 1 and November 1 of each year commencing May 1, 2008.

2. The Series 2007 Bonds shall be issued in the aggregate principal amount of $_____. Such interest rates do not exceed 7%, respectively, being the maximum interest rate authorized by the Supplemental Parameters Resolution.

3. The Series 2007 Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2007 Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2007 Bonds shall [not] be subject to [optional and/or mandatory] redemption as set forth on Schedule 2 attached hereto and incorporated herein.

6. The Series 2007 Bonds shall be sold to Ross, Sinclaire & Associates, LLC (the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate

purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and a net original issue discount[premium] of $_____), plus interest accrued of $_____ on the Series 2007 Bonds from December 1, 2007 to _____, 2007 (the "Closing Date").

7. The forms of the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Prepayment Agreement, the Registrar Agreement and Official Statement attached hereto are hereby approved.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2007 Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2007 Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

WITNESS my signature this _____ day of December, 2007.

THE CITY OF HUNTINGTON

By: _____
Its: Mayor

12.06.07
435500.00010

SCHEDULE 1

SERIES 2007 BOND TERMS

Bond No.	Maturity Date (November 1)	Principal Amount (thousands)	Interest Rate	Price or Yield
R-1	2008	$ ___	__.___%	__.___%
R-2	2009	___	__.___%	__.___%
R-3	2010	___	__.___%	__.___%
R-4	2011	___	__.___%	__.___%
R-5	2012	___	__.___%	__.___%
R-6	2013	___	__.___%	__.___%
R-7	2014	___	__.___%	__.___%
R-8	2015	___	__.___%	__.___%
R-9	2016	___	__.___%	__.___%
R-10	2017	___	__.___%	__.___%
R-11	2018	___	__.___%	__.___%
R-12	2019	___	__.___%	__.___%
R-13	2020	___	__.___%	__.___%
R-14	2021	___	__.___%	__.___%
R-15	2022	___	__.___%	__.___%
R-16	2023	___	__.___%	__.___%

SCHEDULE 2

SERIES 2007 BONDS REDEMPTION PROVISIONS:

[to be inserted after pricing]

EXHIBIT B

CONFORMED ORDINANCE
enacted January 10, 2005

EXHIBIT C

PROVISIONS RELATING TO BOND INSURANCE

(a) "Insurance Policy" shall be defined as follows: "the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due". "Insurer" shall be defined as follows: "Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto or assignee thereof".

(b) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Series 2007 Bonds Reserve Account, if any. Notwithstanding anything to the contrary set forth in the Ordinance, amounts on deposit in the Series 2007 Bonds Reserve Account shall be applied solely to the payment of debt service due on the Bonds.

(c) The Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Insured Bonds are entitled to take pursuant to the provisions of the Ordinance pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Paying Agent. Remedies granted to the Bondholders shall expressly include mandamus.

(d) If acceleration is permitted under the Ordinance, the maturity of Insured Bonds shall not be accelerated without the consent of the Insurer. In the event the maturity of the Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Paying Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Bonds shall be fully discharged.

(e) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(f) The Insurer shall be included as a third party beneficiary to the Ordinance.

(g) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of the Ordinance which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Bond so purchased is not cancelled upon purchase.

(h) Any amendment, supplement, modification to, or waiver of, the Ordinance or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Bondowners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(i) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.

(j) The rights granted to the Insurer under the Ordinance or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the Insurer.

(k) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S & P or any combination thereof, shall be used to effect defeasance of the Bonds unless the Insurer otherwise approves.

To accomplish defeasance, the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Ordinance and (iv) a certificate of discharge of the Paying Agent with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, Paying Agent and Insurer. The Insurer shall be provided with final drafts of the

above-referenced documentation not less than five business days prior to the funding of the escrow.

Bonds shall be deemed "Outstanding" under the Ordinance unless and until they are in fact paid and retired or the above criteria are met.

(l) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Ordinance and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Ordinance. The Ordinance shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(m) The Issuer covenants and agrees to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

(n) Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Ordinance, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall give notice to the Bond Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Paying Agent shall designate any portion of payment of principal on Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Financial Security Assurance Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so

designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

Upon payment of a claim under the Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Issuer agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Net Revenues and payable from such Net Revenues on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Insurer.

(o) The Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy. Each obligation of the Issuer to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(p) The Issuer shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Ordinance or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Ordinance or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Ordinance or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Ordinance or any other Related Document.

(q) After payment of reasonable expenses of the Paying Agent, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Series 2007 Bonds Reserve Account to the Series 2007 Bonds Reserve Account Requirement.

(r) The Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with the Ordinance, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(s) The notice address of the Insurer is: Financial Security Assurance Inc., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. , Telephone: (212) 826-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(t) The Insurer shall be provided with the following information by the Issuer:

(i) Annual audited financial statements within 150 days after the end of the Issuer's fiscal year;

(ii) A certification of the Issuer that it is not aware of any default or Event of Default under the Ordinance), together with a worksheet containing the calculations of Net Revenues and Maximum Annual Debt Service and demonstrating compliance with the rate covenant set forth in Section 6.06 of the Ordinance.

(iii) The Issuer's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(iv) Notice of any draw upon the Series 2007 Bonds Reserve Account within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Series 2007 Bonds Reserve Account Requirement and (ii) withdrawals in connection with a refunding of Insured Bonds;

(v) Notice of any default known to the Paying Agent or Issuer within five Business Days after knowledge thereof;

(vi) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(vii) Notice of the resignation or removal of the Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(viii) Notice of the commencement of any proceeding by or against the Issuer commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(ix) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(x) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents;

(xi) and (xi) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents.

(u) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Ordinance, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Series 2007 Bonds Reserve Account is fully funded at the Series 2007 Bonds Reserve Account Requirement upon the

issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.

(v) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Ordinance would adversely affect the security for the Bonds or the rights of the Bondholders, the Issuer shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(w) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-1

$250,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.5%	November 1, 2008	December 27, 2007	446834 EN9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED FIFTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2008 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each April 15 and October 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by United Bank, Inc., Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $5,500,000 designated "The City of Huntington (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2007" (the "Bonds" or "Series 2007 Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 27, 2007, the proceeds of which are to be used (i) to currently refund the outstanding principal balance of the City's Sewerage System Refunding Revenue Bonds, Series 1993 (the "Series 1993 Bonds"), issued in the aggregate principal amount of $7,100,000, which Series 1993 Bonds were issued to advance refund all of the Issuer's Outstanding Sewerage System Refunding Revenue Bonds, Series 1987, dated February 15, 1987, originally issued in the aggregate principal amount of $8,575,000, of which $7,130,000 was then outstanding, fund a reserve account and pay costs of issuance and related costs; (ii) to fund a reserve account for the Series 2007 Bonds; and (iii) to pay costs of issuance of the Series 2007 Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on January 10, 2005, and supplemented by a supplemental parameters resolution adopted by said Council on December 10, 2007 (hereinafter collectively referred to as the "Ordinance"), and are subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Huntington, West Virginia.

Financial Security Assurance Inc. ("Financial Security"), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to the Paying Agent. Said Policy is on file and available

for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Financial Security or the Paying Agent.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on or after November 1, 2015 are subject to redemption prior to maturity at the option of the Issuer on and after November 1, 2015, in whole or in part at any time, in such order of maturity as shall be designated to the Registrar by the Issuer and by lot within a maturity, at the following redemption prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price
All maturing bonds on or after November 1, 2015	100%

(B) Mandatory Sinking Fund Redemption.

The Term Bonds due November 1, 2019 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on November 1, 2018 in the principal amount of $360,000. The remaining $380,000 principal amount of Term Bonds due November 1, 2019 are scheduled to be paid at maturity.

The Term Bonds due November 1, 2023 are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on November 1, 2022 in the principal amount of $415,000. The remaining $435,000 principal amount of Term Bonds due November 1, 2023 are scheduled to be paid at maturity.

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Unless waived by any holder of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Note 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.

Official notice of redemption having been given, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"), SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550 (THE "SERIES 1999 BONDS"), SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 A BONDS"); AND SEWER REVENUE BONDS, SERIES 2006 A, DATED NOVEMBER 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,150,000 (THE "SERIES 2006 A BONDS" AND TOGETHER WITH THE SERIES 1997 BONDS, SERIES 1999 BONDS, SERIES 2000 A BONDS, COLLECTIVELY REFERRED TO HEREIN AS THE "PRIOR BONDS").

The Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the Series 2007 Bonds Sinking Fund and the Series 2007 Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2007 Bonds Sinking Fund and the Series 2007 Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable

rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on, and any necessary reserve payments for, the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay the outstanding principal balance of, and any accrued interest on, the Series 1993 Bonds, fund a reserve account for the Series 2007 Bonds and pay all costs of issuance of the Series 2007 Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Bond is issued, shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

12.19.2007
435500.00010

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 27, 2007.

UNITED BANK, INC.,
as Registrar

By: SPECIMEN
Its: Authorized Officer

(FORM OF)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

_____

the within Bond and does hereby irrevocably constitute and appoint

_____

_____

to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

FORM OF APPROVING OPINION OF BOND COUNSEL

[See transcript document no. 20]

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

SPECIMEN

$265,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.5%	November 1, 2009	December 27, 2007	446834 EP4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED SIXTY FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2008 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-3 $275,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.5%	November 1, 2010	December 27, 2007	446834 EQ2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED SEVENTY FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2008 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Ordinance.

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-4 $290,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.5%	November 1, 2011	December 27, 2007	446834 ER0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED NINETY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2008 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-5 $305,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.5%	November 1, 2012	December 27, 2007	446834 ES8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2008 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-6 $320,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.5%	November 1, 2013	December 27, 2007	446834 ET6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED TWENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2008 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-7 $335,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.5%	November 1, 2014	December 27, 2007	446834 EU3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED THIRTY FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2008 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-8 $350,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.5%	November 1, 2015	December 27, 2007	446834 EV1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED FIFTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2008 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-9 $365,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.6%	November 1, 2016	December 27, 2007	446834 EW9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED SIXTY FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2008 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-10 $360,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.7%	November 1, 2017	December 27, 2007	446834 EX7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED SIXTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2008 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-11 $740,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.0%	November 1, 2019	December 27, 2007	446834 EY5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN HUNDRED FOURTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2008 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-12 $395,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.0%	November 1, 2020	December 27, 2007	446834 EZ2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED NINETY FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above; or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2008 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-13 $400,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.0%	November 1, 2021	December 27, 2007	446834 FA6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FOUR HUNDRED THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2008 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-14 $850,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.0%	November 1, 2023	December 27, 2007	446834 FB4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: EIGHT HUNDRED FIFTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above; or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1, in each year, beginning May 1, 2008 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 2007

FINAL: Priced on 12.18.07 - Delivery on 12.27.07

Bond Rating: AAA/NR - Bank Qualified - FSA Insured

Sources & Uses

Dated 12/27/2007 | Delivered 12/27/2007

Sources Of Funds	
Par Amount of Bonds	$5,500,000.00
Reoffering Premium	2,113.85
Transfers from Prior Issue Debt Service Funds	55,477.06
Transfers from Prior Issue DSR Funds	628,100.00
Total Sources	**$6,185,690.91**

Uses Of Funds	
Underwriter's Discount & Counsel	78,500.00
Costs of Issuance	68,250.00
Bond Insurance Premium	148,290.34
Deposit to Debt Service Reserve Fund (DSRF)	486,860.00
Deposit to Current Refunding Fund	5,348,102.08
Deposit to Sinking Fund	55,477.06
Rounding Amount	211.43
Total Uses	**$6,185,690.91**

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 2007

FINAL: Priced on 12.18.07 - Delivery on 12.27.07

Bond Rating: AAA/NR - Bank Qualified - FSA Insured

Detail Costs Of Issuance

Dated 12/27/2007 | Delivered 12/27/2007

COSTS OF ISSUANCE DETAIL

Bond & Disclosure Counsel	$55,000.00
Bond Rating	$10,000.00
Registrar	$1,250.00
Accountant Certification	$2,000.00
TOTAL	**$68,250.00**

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 2007

FINAL: Priced on 12.18.07 - Delivery on 12.27.07

Bond Rating: AAA/NR - Bank Qualified - FSA Insured

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price		Dollar Price
11/01/2008	Serial Coupon	3.500%	3.200%	250,000.00	100.245%		250,612.50
11/01/2009	Serial Coupon	3.500%	3.220%	265,000.00	100.494%		266,309.10
11/01/2010	Serial Coupon	3.500%	3.250%	275,000.00	100.670%		276,842.50
11/01/2011	Serial Coupon	3.500%	3.300%	290,000.00	100.713%		292,067.70
11/01/2012	Serial Coupon	3.500%	3.350%	305,000.00	100.662%		307,019.10
11/01/2013	Serial Coupon	3.500%	3.400%	320,000.00	100.522%		321,670.40
11/01/2014	Serial Coupon	3.500%	3.500%	335,000.00	100.000%		335,000.00
11/01/2015	Serial Coupon	3.500%	3.600%	350,000.00	99.318%		347,613.00
11/01/2016	Serial Coupon	3.600%	3.650%	365,000.00	99.621%		363,616.65
11/01/2017	Serial Coupon	3.700%	3.750%	360,000.00	99.587%		358,513.20
11/01/2019	Term 1 Coupon	4.000%	3.870%	740,000.00	100.868%	c	746,423.20
11/01/2020	Serial Coupon	4.000%	3.950%	395,000.00	100.330%	c	396,303.50
11/01/2021	Serial Coupon	4.000%	4.000%	400,000.00	100.000%		400,000.00
11/01/2023	Term 2 Coupon	4.000%	4.100%	850,000.00	98.838%		840,123.00
Total	-	-	-	$5,500,000.00	-	-	$5,502,113.85

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 2007

FINAL: Priced on 12.18.07 - Delivery on 12.27.07

Bond Rating: AAA/NR - Bank Qualified - FSA Insured

Pricing Summary

Bid Information

Par Amount of Bonds	$5,500,000.00
Reoffering Premium or (Discount)	2,113.85
Gross Production	$5,502,113.85
Total Underwriter's Discount (1.427%)	$(78,500.00)
Bid (98.611%)	5,423,613.85
Total Purchase Price	$5,423,613.85
Bond Year Dollars	$49,824.44
Average Life	9.059 Years
Average Coupon	3.8425251%
Net Interest Cost (NIC)	3.9958357%
True Interest Cost (TIC)	4.0212287%

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 2007

FINAL: Priced on 12.18.07 - Delivery on 12.27.07

Bond Rating: AAA/NR - Bank Qualified - FSA Insured

Debt Service Comparison

Date	Total P+I	DSR	Est. Float	Net New D/S	Old Net D/S	Savings
06/30/2008	70,786.78	-	(37,788.51)	32,998.27	139,653.13	106,654.86
06/30/2009	451,135.00	-	-	451,135.00	401,025.01	(50,109.99)
06/30/2010	457,122.50	-	-	457,122.50	399,331.26	(57,791.24)
06/30/2011	457,672.50	-	-	457,672.50	402,243.76	(55,428.74)
06/30/2012	462,785.00	-	-	462,785.00	394,893.76	(67,891.24)
06/30/2013	467,372.50	-	-	467,372.50	397,281.26	(70,091.24)
06/30/2014	471,435.00	-	-	471,435.00	399,143.76	(72,291.24)
06/30/2015	474,972.50	-	-	474,972.50	400,481.26	(74,491.24)
06/30/2016	477,985.00	-	-	477,985.00	396,425.01	(81,559.99)
06/30/2017	480,290.00	-	-	480,290.00	625,806.26	145,516.26
06/30/2018	462,060.00	-	-	462,060.00	628,100.01	166,040.01
06/30/2019	448,200.00	-	-	448,200.00	624,212.51	176,012.51
06/30/2020	453,400.00	-	-	453,400.00	623,837.51	170,437.51
06/30/2021	452,900.00	-	-	452,900.00	626,693.76	173,793.76
06/30/2022	442,000.00	-	-	442,000.00	623,071.88	181,071.88
06/30/2023	440,700.00	-	-	440,700.00	622,971.88	182,271.88
06/30/2024	443,700.00	(486,860.00)	-	(43,160.00)	(6,840.62)	36,319.38
Total	**$7,414,516.78**	**(486,860.00)**	**(37,788.51)**	**$6,889,868.27**	**$7,698,331.40**	**$808,463.13**

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 2007

FINAL: Priced on 12.18.07 - Delivery on 12.27.07

Bond Rating: AAA/NR - Bank Qualified - FSA Insured

Debt Service Comparison

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	443,093.98
Effects of changes in DSR investments	(73,111.91)
Effects of Primary Purpose Earnings	37,510.35
Net PV Cashflow Savings @ 4.199%(Bond Yield)	407,492.42
Transfers from Prior Issue Debt Service Fund	(55,477.06)
Contingency or Rounding Amount	211.43
Net Present Value Benefit	$352,226.79
Net PV Benefit / $5,255,000 Refunded Principal	6.703%
Net PV Benefit / $5,500,000 Refunding Principal	6.404%

Refunding Bond Information

Refunding Dated Date	12/27/2007
Refunding Delivery Date	12/27/2007

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 2007

FINAL: Priced on 12.18.07 - Delivery on 12.27.07

Bond Rating: AAA/NR - Bank Qualified - FSA Insured

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	Est. Float	Net New D/S
06/30/2008	-	-	70,786.78	70,786.78	-	(37,788.51)	32,998.27
06/30/2009	250,000.00	3.500%	201,135.00	451,135.00	-	-	451,135.00
06/30/2010	265,000.00	3.500%	192,122.50	457,122.50	-	-	457,122.50
06/30/2011	275,000.00	3.500%	182,672.50	457,672.50	-	-	457,672.50
06/30/2012	290,000.00	3.500%	172,785.00	462,785.00	-	-	462,785.00
06/30/2013	305,000.00	3.500%	162,372.50	467,372.50	-	-	467,372.50
06/30/2014	320,000.00	3.500%	151,435.00	471,435.00	-	-	471,435.00
06/30/2015	335,000.00	3.500%	139,972.50	474,972.50	-	-	474,972.50
06/30/2016	350,000.00	3.500%	127,985.00	477,985.00	-	-	477,985.00
06/30/2017	365,000.00	3.600%	115,290.00	480,290.00	-	-	480,290.00
06/30/2018	360,000.00	3.700%	102,060.00	462,060.00	-	-	462,060.00
06/30/2019	360,000.00	4.000%	88,200.00	448,200.00	-	-	448,200.00
06/30/2020	380,000.00	4.000%	73,400.00	453,400.00	-	-	453,400.00
06/30/2021	395,000.00	4.000%	57,900.00	452,900.00	-	-	452,900.00
06/30/2022	400,000.00	4.000%	42,000.00	442,000.00	-	-	442,000.00
06/30/2023	415,000.00	4.000%	25,700.00	440,700.00	-	-	440,700.00
06/30/2024	435,000.00	4.000%	8,700.00	443,700.00	(486,860.00)	-	(43,160.00)
Total	**$5,500,000.00**	-	**$1,914,516.78**	**$7,414,516.78**	**(486,860.00)**	**(37,788.51)**	**$6,889,868.27**

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 2007

FINAL: Priced on 12.18.07 - Delivery on 12.27.07

Bond Rating: AAA/NR - Bank Qualified - FSA Insured

Proof of Reserve Fund Requirement

Date	Principal	Interest	TOTAL P+I
11/01/2008	250,000.00	173,541.78	423,541.78
11/01/2009	265,000.00	196,760.00	461,760.00
11/01/2010	275,000.00	187,485.00	462,485.00
11/01/2011	290,000.00	177,860.00	467,860.00
11/01/2012	305,000.00	167,710.00	472,710.00
11/01/2013	320,000.00	157,035.00	477,035.00
11/01/2014	335,000.00	145,835.00	480,835.00
11/01/2015	350,000.00	134,110.00	484,110.00
11/01/2016	365,000.00	121,860.00	486,860.00
11/01/2017	360,000.00	108,720.00	468,720.00
11/01/2018	360,000.00	95,400.00	455,400.00
11/01/2019	380,000.00	81,000.00	461,000.00
11/01/2020	395,000.00	65,800.00	460,800.00
11/01/2021	400,000.00	50,000.00	450,000.00
11/01/2022	415,000.00	34,000.00	449,000.00
11/01/2023	435,000.00	17,400.00	452,400.00
Total	$5,500,000.00	$1,914,516.78	$7,414,516.78

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 2007

FINAL: Priced on 12.18.07 - Delivery on 12.27.07

Bond Rating: AAA/NR - Bank Qualified - FSA Insured

Proof of Reserve Fund Requirement

PROOF OF RESERVE FUND

MAXIMUM PERIODIC DEBT SERVICE	
100 % of the Maximum Periodic Debt Service	486,860.00
AVERAGE PERIODIC DEBT SERVICE	
Total P+I	7,414,516.78
Bond Years (Delivery Date)	15.84
125 % of the Average Periodic Debt Service	584,946.10
PERCENT OF PAR	
10 % of Par	550,000.00
RESERVE REQUIREMENT	
Computed Requirement	486,860.00
Proof's Requirement	486,860.00

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 2007

FINAL: Priced on 12.18.07 - Delivery on 12.27.07

Bond Rating: AAA/NR - Bank Qualified - FSA Insured

Proof Of Bond Yield @ 4.1993149%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
12/27/2007	-	1.0000000x	-	-
05/01/2008	70,786.78	0.9857874x	69,780.72	69,780.72
11/01/2008	352,755.00	0.9655149x	340,590.21	410,370.93
05/01/2009	98,380.00	0.9456593x	93,033.96	503,404.89
11/01/2009	363,380.00	0.9262120x	336,566.93	839,971.82
05/01/2010	93,742.50	0.9071647x	85,039.88	925,011.70
11/01/2010	368,742.50	0.8885090x	327,631.04	1,252,642.74
05/01/2011	88,930.00	0.8702370x	77,390.18	1,330,032.92
11/01/2011	378,930.00	0.8523408x	322,977.50	1,653,010.42
05/01/2012	83,855.00	0.8348126x	70,003.21	1,723,013.63
11/01/2012	388,855.00	0.8176448x	317,945.29	2,040,958.92
05/01/2013	78,517.50	0.8008302x	62,879.18	2,103,838.10
11/01/2013	398,517.50	0.7843613x	312,581.69	2,416,419.79
05/01/2014	72,917.50	0.7682310x	56,017.49	2,472,437.27
11/01/2014	407,917.50	0.7524325x	306,930.40	2,779,367.67
05/01/2015	67,055.00	0.7369589x	49,416.78	2,828,784.45
11/01/2015	417,055.00	0.7218035x	301,031.77	3,129,816.22
05/01/2016	60,930.00	0.7069598x	43,075.06	3,172,891.28
11/01/2016	425,930.00	0.6924213x	294,923.01	3,467,814.29
05/01/2017	54,360.00	0.6781818x	36,865.96	3,504,680.25
11/01/2017	414,360.00	0.6642352x	275,232.48	3,779,912.73
05/01/2018	47,700.00	0.6505753x	31,032.44	3,810,945.17
11/01/2018	407,700.00	0.6371964x	259,784.96	4,070,730.12
05/01/2019	40,500.00	0.6240926x	25,275.75	4,096,005.87
11/01/2019	420,500.00	0.6112582x	257,034.08	4,353,039.96
05/01/2020	32,900.00	0.5986878x	19,696.83	4,372,736.79
11/01/2020	427,900.00	0.5863759x	250,910.27	4,623,647.05

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 2007

FINAL: Priced on 12.18.07 - Delivery on 12.27.07

Bond Rating: AAA/NR - Bank Qualified - FSA Insured

Proof Of Bond Yield @ 4.1993149%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
05/01/2021	25,000.00	0.5743172x	14,357.93	4,638,004.98
11/01/2021	425,000.00	0.5625065x	239,065.28	4,877,070.26
05/01/2022	17,000.00	0.5509387x	9,365.96	4,886,436.22
11/01/2022	432,000.00	0.5396088x	233,110.99	5,119,547.21
05/01/2023	8,700.00	0.5285118x	4,598.05	5,124,145.26
11/01/2023	443,700.00	0.5176431x	229,678.25	5,353,823.51
Total	$7,414,516.78	-	$5,353,823.51	-

Derivation Of Target Amount

Par Amount of Bonds	$5,500,000.00
Reoffering Premium or (Discount)	2,113.85
Bond Insurance Premium..... (200.0 bp)	(148,290.34)
Original Issue Proceeds	$5,353,823.51

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 2007

FINAL: Priced on 12.18.07 - Delivery on 12.27.07

Bond Rating: AAA/NR - Bank Qualified - FSA Insured

Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Price	Issuance PRICE	Exponent	Bond Years
12/27/2007	-	-	-	-	-
11/01/2008	250,000.00	100.245%	250,612.50	0.8444444x	211,628.33
11/01/2009	265,000.00	100.494%	266,309.10	1.8444444x	491,192.34
11/01/2010	275,000.00	100.670%	276,842.50	2.8444444x	787,463.11
11/01/2011	290,000.00	100.713%	292,067.70	3.8444444x	1,122,838.05
11/01/2012	305,000.00	100.662%	307,019.10	4.8444444x	1,487,336.97
11/01/2013	320,000.00	100.522%	321,670.40	5.8444444x	1,879,984.78
11/01/2014	335,000.00	100.000%	335,000.00	6.8444444x	2,292,888.89
11/01/2015	350,000.00	99.318%	347,613.00	7.8444444x	2,726,830.87
11/01/2016	365,000.00	99.621%	363,616.65	8.8444444x	3,215,987.26
11/01/2017	360,000.00	99.587%	358,513.20	9.8444444x	3,529,363.28
11/01/2018	-	99.556%	-	10.8444444x	-
11/01/2018	360,000.00	100.868%	363,124.80	10.8444444x	3,937,886.72
11/01/2019	-	100.000%	-	11.8444444x	-
11/01/2019	380,000.00	100.868%	383,298.40	11.8444444x	4,539,956.60
11/01/2020	395,000.00	100.330%	396,303.50	12.8444444x	5,090,298.29
11/01/2021	400,000.00	100.000%	400,000.00	13.8444444x	5,537,777.78
11/01/2022	-	100.000%	-	14.8444444x	-
11/01/2022	415,000.00	98.838%	410,177.70	14.8444444x	6,088,860.08
11/01/2023	-	100.000%	-	15.8444444x	-
11/01/2023	435,000.00	98.838%	429,945.30	15.8444444x	6,812,244.42
Total	**$5,500,000.00**	-	**$5,502,113.85**	-	**$49,752,537.77**

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 2007

FINAL: Priced on 12.18.07 - Delivery on 12.27.07

Bond Rating: AAA/NR - Bank Qualified - FSA Insured

Derivation Of Form 8038 Yield Statistics

IRS Form 8038

Weighted Average Maturity = Bond Years/Issue Price	9.042 Years
Total Interest from Debt Service	1,914,516.78
Reoffering (Premium) or Discount	(2,113.85)
Total Interest	1,912,402.93
NIC = Interest / (Issue Price * Average Maturity)	3.8438299%
Bond Yield for Arbitrage Purposes	4.1993149%

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 1993

(Tax-Exempt)

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
05/01/2008	-	-	139,653.13	139,653.13
11/01/2008	125,000.00	5.250%	139,653.13	264,653.13
05/01/2009	-	-	136,371.88	136,371.88
11/01/2009	130,000.00	5.250%	136,371.88	266,371.88
05/01/2010	-	-	132,959.38	132,959.38
11/01/2010	140,000.00	5.250%	132,959.38	272,959.38
05/01/2011	-	-	129,284.38	129,284.38
11/01/2011	140,000.00	5.250%	129,284.38	269,284.38
05/01/2012	-	-	125,609.38	125,609.38
11/01/2012	150,000.00	5.250%	125,609.38	275,609.38
05/01/2013	-	-	121,671.88	121,671.88
11/01/2013	160,000.00	5.250%	121,671.88	281,671.88
05/01/2014	-	-	117,471.88	117,471.88
11/01/2014	170,000.00	5.250%	117,471.88	287,471.88
05/01/2015	-	-	113,009.38	113,009.38
11/01/2015	175,000.00	5.250%	113,009.38	288,009.38
05/01/2016	-	-	108,415.63	108,415.63
11/01/2016	420,000.00	5.250%	108,415.63	528,415.63
05/01/2017	-	-	97,390.63	97,390.63
11/01/2017	445,000.00	5.250%	97,390.63	542,390.63
05/01/2018	-	-	85,709.38	85,709.38
11/01/2018	465,000.00	5.250%	85,709.38	550,709.38
05/01/2019	-	-	73,503.13	73,503.13
11/01/2019	490,000.00	5.375%	73,503.13	563,503.13
05/01/2020	-	-	60,334.38	60,334.38
11/01/2020	520,000.00	5.375%	60,334.38	580,334.38
05/01/2021	-	-	46,359.38	46,359.38
11/01/2021	545,000.00	5.375%	46,359.38	591,359.38

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

City of Huntington, West Virginia

Sewerage System Refunding Revenue Bonds, Series 1993

(Tax-Exempt)

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
05/01/2022	-	-	31,712.50	31,712.50
11/01/2022	575,000.00	5.375%	31,712.50	606,712.50
05/01/2023	-	-	16,259.38	16,259.38
11/01/2023	605,000.00	5.375%	16,259.38	621,259.38
Total	**$5,255,000.00**	-	**$3,071,431.40**	**$8,326,431.40**

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/27/2007
Average Life	10.803 Years
Average Coupon	5.3340041%
Weighted Average Maturity (Par Basis)	10.803 Years

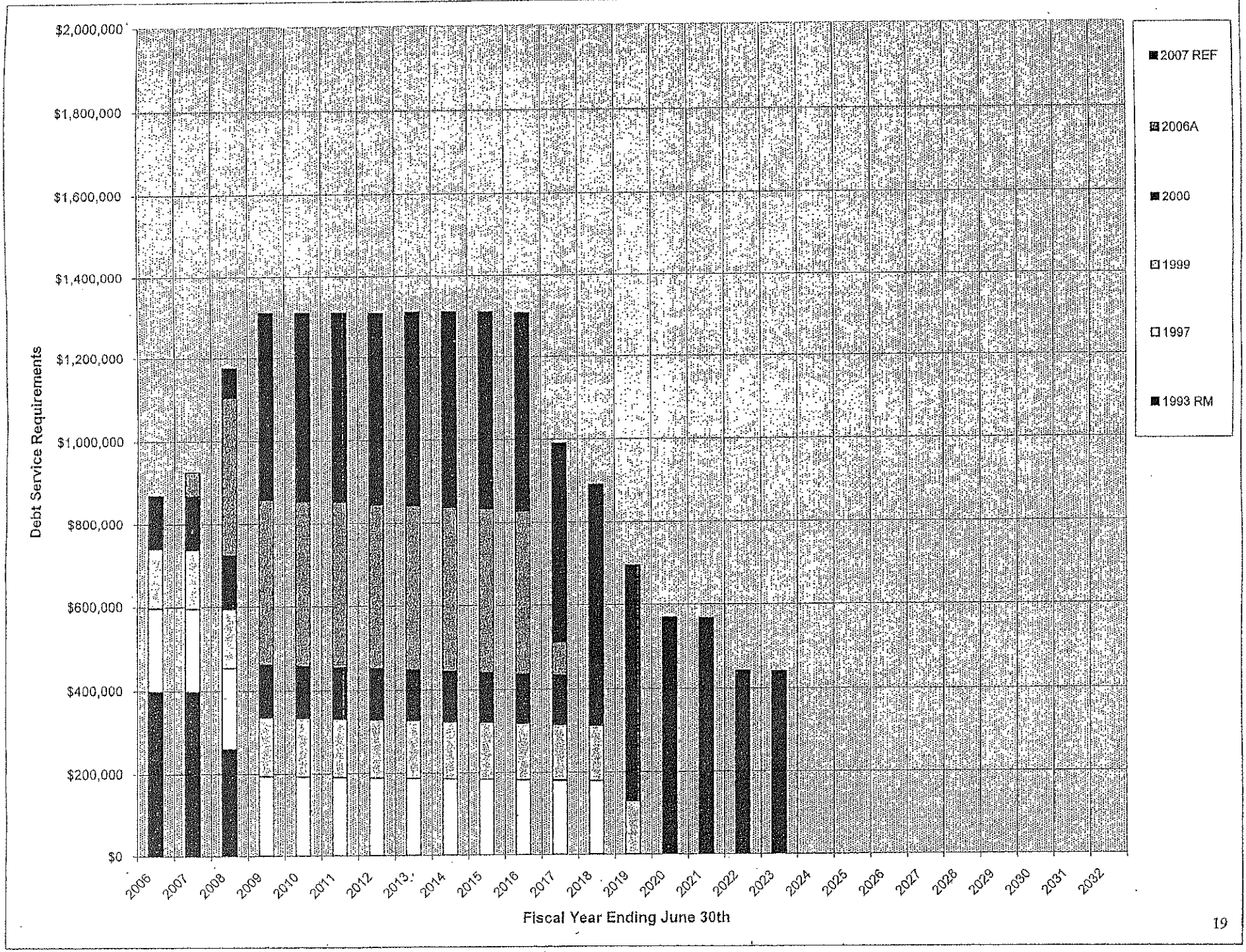
Refunding Bond Information

Refunding Dated Date	12/27/2007
Refunding Delivery Date	12/27/2007

Ross, Sinclaire & Associates, LLC
Public Finance - BNurick

Debt Capsule Report

(A)	(B)	(C)	(D)	(E)	(F)
Bond Series	Original Par Amount	Current Amount Outstanding	Interest Rate Range	Final Maturity	Call Information
1997	$3,039,895	$1,745,000	3.000%	2019	Consent Only
1999	$2,083,550	$1,325,000	3.000%	2020	Consent Only
2000	$1,867,098	$1,285,000	3.000%	2021	Consent Only
2006A	$3,150,000	$3,150,000	4.250% - 4.700%	2016	Nov 2011 @ 100%
2007	$5,500,000	$5,500,000	3.500% - 4.000%	2023	Nov 2015 @ 100%
Totals:	$15,640,543	$13,005,000	---	---	---


$2,000,000
$1,800,000
$1,600,000
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
Debt Service Requirements
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
Fiscal Year Ending June 30th
2007 REF
2006A
2000
1999
1997
1993 RM

Net Debt Service Structure Report

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Fiscal Year	Series 1993 RM Bonds	Series 1997 Bonds	Series 1999 Bonds	Series 2000 Bonds	Series 2006A Bonds	Series 2007 REF Bonds	Total Payments
2006	$397,886	$198,434	$142,681	$129,108			$868,109
2007	$397,738	$197,063	$141,727	$128,278	$59,929		$924,735
2008	$257,528	$195,665	$140,754	$127,433	$382,671	$70,787	$1,174,838
2009		$194,239	$139,762	$126,570	$396,660	$451,135	$1,308,366
2010		$192,783	$138,751	$125,689	$394,695	$457,123	$1,309,042
2011		$191,299	$137,718	$124,791	$397,045	$457,673	$1,308,526
2012		$189,785	$136,666	$123,877	$393,693	$462,785	$1,306,805
2013		$188,240	$135,591	$122,942	$394,470	$467,373	$1,308,615
2014		$186,664	$134,495	$121,989	$394,405	$471,435	$1,308,988
2015		$185,056	$133,376	$121,015	$393,475	$474,973	$1,307,895
2016		$183,416	$132,236	$120,023	$391,673	$477,985	$1,305,333
2017		$181,743	$131,072	$119,013	$79,048	$480,290	$991,165
2018		$180,036	$129,884	$117,980		$462,060	$889,960
2019		$0	$128,673	$116,927		$448,200	$693,801
2020			$0	$115,852		$453,400	$569,252
2021				$114,756		$452,900	$567,656
2022				$0		$442,000	$442,000
2023						$440,700	$440,700
2024						$0	$0
2025							$0
2026							$0
2027							$0
2028							$0
2029							$0
2030							$0
2031							$0
2032							$0
Totals:	$1,053,152	$2,464,422	$1,903,389	$1,956,243	$3,677,763	$6,970,817	$18,025,785

Note: Net Debt Service Requirements Assume No Interest Earnings on Debt Service Reserve Funds

City of Huntington, West Virginia
Sewerage System Cumulative Debt Service Payment Schedule
(Prepared December 19, 2007)

Payment Date	Bond Series	Principal Portion	Interest Portion	Total Payment	Calendar Year Payments	Fiscal Year Payments	Payment Date	Check Number
03/01/08	1997A	$35,481	$13,391.55	$48,872.32			___/___/___	
03/01/08	1999A	$24,675	$10,482.96	$35,157.96			___/___/___	
03/01/08	2000A	$21,460	$10,371.77	$31,831.77			___/___/___	
05/01/08	2006A		$66,232.50	$66,232.50			___/___/___	
05/01/08	2007A		$70,786.78	$70,786.78			___/___/___	
06/01/08	1997A	$35,658	$13,125.45	$48,783.62			___/___/___	
06/01/08	1999A	$24,799	$10,297.90	$35,096.90			___/___/___	
06/01/08	2000A	$21,567	$10,210.82	$31,777.82		$368,539.67	___/___/___	
09/01/08	1997A	$35,836	$12,858.01	$48,694.48			___/___/___	
09/01/08	1999A	$24,923	$10,111.91	$35,034.91			___/___/___	
09/01/08	2000A	$21,675	$10,049.06	$31,724.06			___/___/___	
11/01/08	2006A	$270,000	$66,232.50	$336,232.50			___/___/___	
11/01/08	2007A	$250,000	$102,755.00	$352,755.00			___/___/___	
12/01/08	1997A	$36,016	$12,589.24	$48,604.89			___/___/___	
12/01/08	1999A	$25,047	$9,924.98	$34,971.98			___/___/___	
12/01/08	2000A	$21,783	$9,886.50	$31,669.50	$1,288,226.99		___/___/___	
03/01/09	1997A	$36,196	$12,319.12	$48,514.85			___/___/___	
03/01/09	1999A	$25,172	$9,737.13	$34,909.13			___/___/___	
03/01/09	2000A	$21,892	$9,723.13	$31,615.13			___/___/___	
05/01/09	2006A		$60,427.50	$60,427.50			___/___/___	
05/01/09	2007A		$98,380.00	$98,380.00			___/___/___	
06/01/09	1997A	$36,377	$12,047.65	$48,424.35			___/___/___	
06/01/09	1999A	$25,298	$9,548.34	$34,846.34			___/___/___	
06/01/09	2000A	$22,002	$9,558.94	$31,560.94		$1,308,365.56	___/___/___	
09/01/09	1997A	$36,559	$11,774.82	$48,333.41			___/___/___	
09/01/09	1999A	$25,425	$9,358.61	$34,783.61			___/___/___	
09/01/09	2000A	$22,112	$9,393.92	$31,505.92			___/___/___	
11/01/09	2006A	$280,000	$60,427.50	$340,427.50			___/___/___	
11/01/09	2007A	$265,000	$98,380.00	$363,380.00			___/___/___	
12/01/09	1997A	$36,741	$11,500.64	$48,242.02			___/___/___	
12/01/09	1999A	$25,552	$9,167.92	$34,719.92			___/___/___	
12/01/09	2000A	$22,222	$9,228.08	$31,450.08	$1,321,520.70		___/___/___	

City of Huntington, West Virginia
Sewerage System Cumulative Debt Service Payment Schedule
(Prepared December 19, 2007)

Payment Date	Bond Series	Principal Portion	Interest Portion	Total Payment	Calendar Year Payments	Fiscal Year Payments	Payment Date	Check Number
03/01/10	1997A	$36,925	$11,225.08	$48,150.17			___/___/___	
03/01/10	1999A	$25,680	$8,976.28	$34,656.28			___/___/___	
03/01/10	2000A	$22,333	$9,061.42	$31,394.42			___/___/___	
05/01/10	2006A		$54,267.50	$54,267.50			___/___/___	
05/01/10	2007A		$93,742.50	$93,742.50			___/___/___	
06/01/10	1997A	$37,110	$10,948.14	$48,057.85			___/___/___	
06/01/10	1999A	$25,808	$8,783.68	$34,591.68			___/___/___	
06/01/10	2000A	$22,445	$8,893.92	$31,338.92		$1,309,041.78	___/___/___	
09/01/10	1997A	$37,295	$10,669.81	$47,965.07			___/___/___	
09/01/10	1999A	$25,937	$8,590.12	$34,527.12			___/___/___	
09/01/10	2000A	$22,557	$8,725.58	$31,282.58			___/___/___	
11/01/10	2006A	$295,000	$54,267.50	$349,267.50			___/___/___	
11/01/10	2007A	$275,000	$93,742.50	$368,742.50			___/___/___	
12/01/10	1997A	$37,482	$10,390.10	$47,871.84			___/___/___	
12/01/10	1999A	$26,067	$8,395.59	$34,462.59			___/___/___	
12/01/10	2000A	$22,670	$8,556.41	$31,226.41	$1,321,544.93		___/___/___	
03/01/11	1997A	$37,669	$10,108.99	$47,778.14			___/___/___	
03/01/11	1999A	$26,197	$8,200.09	$34,397.09			___/___/___	
03/01/11	2000A	$22,783	$8,386.38	$31,169.38			___/___/___	
05/01/11	2006A		$47,777.50	$47,777.50			___/___/___	
05/01/11	2007A		$88,930.00	$88,930.00			___/___/___	
06/01/11	1997A	$37,857	$9,826.47	$47,683.96			___/___/___	
06/01/11	1999A	$26,328	$8,003.61	$34,331.61			___/___/___	
06/01/11	2000A	$22,897	$8,215.51	$31,112.51		$1,308,525.80	___/___/___	
09/01/11	1997A	$38,047	$9,542.54	$47,589.32			___/___/___	
09/01/11	1999A	$26,460	$7,806.15	$34,266.15			___/___/___	
09/01/11	2000A	$23,012	$8,043.78	$31,055.78			___/___/___	
11/01/11	2006A	$305,000	$47,777.50	$352,777.50			___/___/___	
11/01/11	2007A	$290,000	$88,930.00	$378,930.00			___/___/___	
12/01/11	1997A	$38,237	$9,257.19	$47,494.20			___/___/___	
12/01/11	1999A	$26,592	$7,607.70	$34,199.70			___/___/___	
12/01/11	2000A	$23,127	$7,871.19	$30,998.19	$1,320,491.03		___/___/___	

City of Huntington, West Virginia
Sewerage System Cumulative Debt Service Payment Schedule
(Prepared December 19, 2007)

Payment Date	Bond Series	Principal Portion	Interest Portion	Total Payment	Calendar Year Payments	Fiscal Year Payments	Payment Date	Check Number
03/01/12	1997A	$38,428	$8,970.41	$47,398.61			___/___/___	
03/01/12	1999A	$26,725	$7,408.26	$34,133.26			___/___/___	
03/01/12	2000A	$23,243	$7,697.74	$30,940.74			___/___/___	
05/01/12	2006A		$40,915.00	$40,915.00			___/___/___	
05/01/12	2007A		$83,855.00	$83,855.00			___/___/___	
06/01/12	1997A	$38,620	$8,682.20	$47,302.54			___/___/___	
06/01/12	1999A	$26,859	$7,207.82	$34,066.82			___/___/___	
06/01/12	2000A	$23,359	$7,523.42	$30,882.42		$1,306,805.23	___/___/___	
09/01/12	1997A	$38,813	$8,392.54	$47,205.98			___/___/___	
09/01/12	1999A	$26,993	$7,006.38	$33,999.38			___/___/___	
09/01/12	2000A	$23,476	$7,348.22	$30,824.22			___/___/___	
11/01/12	2006A	$320,000	$40,915.00	$360,915.00			___/___/___	
11/01/12	2007A	$305,000	$83,855.00	$388,855.00			___/___/___	
12/01/12	1997A	$39,008	$8,101.44	$47,108.95			___/___/___	
12/01/12	1999A	$27,128	$6,803.93	$33,931.93			___/___/___	
12/01/12	2000A	$23,593	$7,172.15	$30,765.15	$1,323,100.00		___/___/___	
03/01/13	1997A	$39,203	$7,808.89	$47,011.44			___/___/___	
03/01/13	1999A	$27,263	$6,600.47	$33,863.47			___/___/___	
03/01/13	2000A	$23,711	$6,995.21	$30,706.21			___/___/___	
05/01/13	2006A		$33,555.00	$33,555.00			___/___/___	
05/01/13	2007A		$78,517.50	$78,517.50			___/___/___	
06/01/13	1997A	$39,399	$7,514.87	$46,913.43			___/___/___	
06/01/13	1999A	$27,400	$6,396.00	$33,796.00			___/___/___	
06/01/13	2000A	$23,829	$6,817.37	$30,646.37		$1,308,615.03	___/___/___	
09/01/13	1997A	$39,596	$7,219.38	$46,814.93			___/___/___	
09/01/13	1999A	$27,537	$6,190.50	$33,727.50			___/___/___	
09/01/13	2000A	$23,949	$6,638.66	$30,587.66			___/___/___	
11/01/13	2006A	$335,000	$33,555.00	$368,555.00			___/___/___	
11/01/13	2007A	$320,000	$78,517.50	$398,517.50			___/___/___	
12/01/13	1997A	$39,794	$6,922.41	$46,715.94			___/___/___	
12/01/13	1999A	$27,674	$5,983.97	$33,657.97			___/___/___	
12/01/13	2000A	$24,068	$6,459.04	$30,527.04	$1,324,112.96		___/___/___	

City of Huntington, West Virginia
Sewerage System Cumulative Debt Service Payment Schedule
(Prepared December 19, 2007)

Payment Date	Bond Series	Principal Portion	Interest Portion	Total Payment	Calendar Year Payments	Fiscal Year Payments	Payment Date	Check Number
03/01/14	1997A	$39,993	$6,623.96	$46,616.46			___/___/___	
03/01/14	1999A	$27,813	$5,776.42	$33,589.42			___/___/___	
03/01/14	2000A	$24,189	$6,278.53	$30,467.53			___/___/___	
05/01/14	2006A		$25,850.00	$25,850.00			___/___/___	
05/01/14	2007A		$72,917.50	$72,917.50			___/___/___	
06/01/14	1997A	$40,192	$6,324.02	$46,516.48			___/___/___	
06/01/14	1999A	$27,952	$5,567.82	$33,519.82			___/___/___	
06/01/14	2000A	$24,310	$6,097.11	$30,407.11		$1,308,987.86	___/___/___	
09/01/14	1997A	$40,393	$6,022.57	$46,415.99			___/___/___	
09/01/14	1999A	$28,092	$5,358.18	$33,450.18			___/___/___	
09/01/14	2000A	$24,431	$5,914.79	$30,345.79			___/___/___	
11/01/14	2006A	$350,000	$25,850.00	$375,850.00			___/___/___	
11/01/14	2007A	$335,000	$72,917.50	$407,917.50			___/___/___	
12/01/14	1997A	$40,595	$5,719.62	$46,315.01			___/___/___	
12/01/14	1999A	$28,232	$5,147.49	$33,379.49			___/___/___	
12/01/14	2000A	$24,553	$5,731.55	$30,284.55	$1,323,842.83		___/___/___	
03/01/15	1997A	$40,798	$5,415.16	$46,213.53			___/___/___	
03/01/15	1999A	$28,373	$4,935.75	$33,308.75			___/___/___	
03/01/15	2000A	$24,676	$5,547.41	$30,223.41			___/___/___	
05/01/15	2006A		$17,625.00	$17,625.00			___/___/___	
05/01/15	2007A		$67,055.00	$67,055.00			___/___/___	
06/01/15	1997A	$41,002	$5,109.17	$46,111.53			___/___/___	
06/01/15	1999A	$28,515	$4,722.95	$33,237.95			___/___/___	
06/01/15	2000A	$24,799	$5,362.34	$30,161.34		$1,307,895.02	___/___/___	
09/01/15	1997A	$41,207	$4,801.65	$46,009.02			___/___/___	
09/01/15	1999A	$28,658	$4,509.09	$33,167.09			___/___/___	
09/01/15	2000A	$24,923	$5,176.34	$30,099.34			___/___/___	
11/01/15	2006A	$365,000	$17,625.00	$382,625.00			___/___/___	
11/01/15	2007A	$350,000	$67,055.00	$417,055.00			___/___/___	
12/01/15	1997A	$41,413	$4,492.60	$45,906.01			___/___/___	
12/01/15	1999A	$28,801	$4,294.16	$33,095.16			___/___/___	
12/01/15	2000A	$25,048	$4,989.42	$30,037.42	$1,321,930.55		___/___/___	

City of Huntington, West Virginia
Sewerage System Cumulative Debt Service Payment Schedule
(Prepared December 19, 2007)

Payment Date	Bond Series	Principal Portion	Interest Portion	Total Payment	Calendar Year Payments	Fiscal Year Payments	Payment Date	Check Number
03/01/16	1997A	$41,620	$4,182.00	$45,802.47			___/___/___	
03/01/16	1999A	$28,945	$4,078.15	$33,023.15			___/___/___	
03/01/16	2000A	$25,173	$4,801.56	$29,974.56			___/___/___	
05/01/16	2006A		$9,047.50	$9,047.50			___/___/___	
05/01/16	2007A		$60,930.00	$60,930.00			___/___/___	
06/01/16	1997A	$41,829	$3,869.84	$45,698.42			___/___/___	
06/01/16	1999A	$29,090	$3,861.06	$32,951.06			___/___/___	
06/01/16	2000A	$25,299	$4,612.76	$29,911.76		$1,305,332.96	___/___/___	
09/01/16	1997A	$42,038	$3,556.13	$45,593.85			___/___/___	
09/01/16	1999A	$29,235	$3,642.89	$32,877.89			___/___/___	
09/01/16	2000A	$25,426	$4,423.02	$29,849.02			___/___/___	
11/01/16	2006A	$385,000	$9,047.50	$394,047.50			___/___/___	
11/01/16	2007A	$365,000	$60,930.00	$425,930.00			___/___/___	
12/01/16	1997A	$42,248	$3,240.85	$45,488.76			___/___/___	
12/01/16	1999A	$29,381	$3,423.62	$32,804.62			___/___/___	
12/01/16	2000A	$25,553	$4,232.33	$29,785.33	$1,323,715.89		___/___/___	
03/01/17	1997A	$42,459	$2,923.99	$45,383.14			___/___/___	
03/01/17	1999A	$29,528	$3,203.27	$32,731.27			___/___/___	
03/01/17	2000A	$25,681	$4,040.68	$29,721.68			___/___/___	
05/01/17	2007A		$54,360.00	$54,360.00			___/___/___	
06/01/17	1997A	$42,671	$2,605.54	$45,276.98			___/___/___	
06/01/17	1999A	$29,676	$2,981.81	$32,657.81			___/___/___	
06/01/17	2000A	$25,809	$3,848.07	$29,657.07		$1,306,164.92	___/___/___	
09/01/17	1997A	$42,885	$2,285.51	$45,170.31			___/___/___	
09/01/17	1999A	$29,824	$2,759.24	$32,583.24			___/___/___	
09/01/17	2000A	$25,938	$3,654.50	$29,592.50			___/___/___	
11/01/17	2007A	$360,000	$54,360.00	$414,360.00			___/___/___	
12/01/17	1997A	$43,099	$1,963.87	$45,063.09			___/___/___	
12/01/17	1999A	$29,973	$2,535.56	$32,508.56			___/___/___	
12/01/17	2000A	$26,068	$3,459.97	$29,527.97	$898,593.62		___/___/___	
03/01/18	1997A	$43,315	$1,640.63	$44,955.35			___/___/___	
03/01/18	1999A	$30,123	$2,310.76	$32,433.76			___/___/___	

City of Huntington, West Virginia
Sewerage System Cumulative Debt Service Payment Schedule
(Prepared December 19, 2007)

Payment Date	Bond Series	Principal Portion	Interest Portion	Total Payment	Calendar Year Payments	Fiscal Year Payments	Payment Date	Check Number
03/01/18	2000A	$26,198	$3,264.46	$29,462.46			___/___/___	
05/01/18	2007A		$47,700.00	$47,700.00			___/___/___	
06/01/18	1997A	$43,531	$1,315.77	$44,847.06			___/___/___	
06/01/18	1999A	$30,274	$2,084.84	$32,358.84			___/___/___	
06/01/18	2000A	$26,329	$3,067.97	$29,396.97		$889,960.11	___/___/___	
09/01/18	1997A	$43,749	$989.28	$44,738.23			___/___/___	
09/01/18	1999A	$30,425	$1,857.78	$32,282.78			___/___/___	
09/01/18	2000A	$26,461	$2,870.51	$29,331.51			___/___/___	
11/01/18	2007A	$360,000	$47,700.00	$407,700.00			___/___/___	
12/01/18	1997A	$43,968	$661.16	$44,628.86			___/___/___	
12/01/18	1999A	$30,577	$1,629.59	$32,206.59			___/___/___	
12/01/18	2000A	$26,593	$2,672.05	$29,265.05	$881,307.46		___/___/___	
03/01/19	1997A	$44,188	$331.41	$44,518.94			___/___/___	
03/01/19	1999A	$30,730	$1,400.27	$32,130.27			___/___/___	
03/01/19	2000A	$26,726	$2,472.60	$29,198.60			___/___/___	
05/01/19	2007A		$40,500.00	$40,500.00			___/___/___	
06/01/19	1999A	$30,884	$1,169.79	$32,053.79			___/___/___	
06/01/19	2000A	$26,860	$2,272.16	$29,132.16		$827,686.78	___/___/___	
09/01/19	1999A	$31,038	$938.16	$31,976.16			___/___/___	
09/01/19	2000A	$26,994	$2,070.71	$29,064.71			___/___/___	
11/01/19	2007A	$380,000	$40,500.00	$420,500.00			___/___/___	
12/01/19	1999A	$31,194	$705.38	$31,899.38			___/___/___	
12/01/19	2000A	$27,129	$1,868.25	$28,997.25	$749,971.26		___/___/___	
03/01/20	1999A	$31,350	$471.42	$31,821.42			___/___/___	
03/01/20	2000A	$27,264	$1,664.78	$28,928.78			___/___/___	
05/01/20	2007A		$32,900.00	$32,900.00			___/___/___	
06/01/20	1999A	$31,506	$236.30	$31,742.30			___/___/___	
06/01/20	2000A	$27,401	$1,460.30	$28,861.30		$696,691.30	___/___/___	
09/01/20	2000A	$27,538	$1,254.80	$28,792.80			___/___/___	
11/01/20	2007A	$395,000	$32,900.00	$427,900.00			___/___/___	
12/01/20	2000A	$27,675	$1,048.26	$28,723.26	$639,669.86		___/___/___	
03/01/21	2000A	$27,814	$840.70	$28,654.70			___/___/___	

City of Huntington, West Virginia
Sewerage System Cumulative Debt Service Payment Schedule
(Prepared December 19, 2007)

Payment Date	Bond Series	Principal Portion	Interest Portion	Total Payment	Calendar Year Payments	Fiscal Year Payments	Payment Date	Check Number
05/01/21	2007A		$25,000.00	$25,000.00			____/____/____	_____
06/01/21	2000A	$27,953	$632.09	$28,585.09		$567,655.85	____/____/____	_____
09/01/21	2000A	$28,093	$422.45	$28,515.45			____/____/____	_____
11/01/21	2007A	$400,000	$25,000.00	$425,000.00			____/____/____	_____
12/01/21	2000A	$28,233	$211.75	$28,444.75	$564,199.99		____/____/____	_____
05/01/22	2007A		$17,000.00	$17,000.00		$498,960.20	____/____/____	_____
11/01/22	2007A	$415,000	$17,000.00	$432,000.00	$449,000.00		____/____/____	_____
05/01/23	2007A		$8,700.00	$8,700.00		$440,700.00	____/____/____	_____
11/01/23	2007A	$435,000	$8,700.00	$443,700.00	$452,400.00	$443,700.00	____/____/____	_____
Totals:	—	$12,971,170	$3,532,457.94	$16,503,628.07	$16,503,628.07	$16,503,628.07	—	—

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON
SEWER REVENUE BONDS, SERIES 2010 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

$4,022,945

KNOW ALL MEN BY THESE PRESENTS: That on the 12th day of January, 2010, THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of FOUR MILLION TWENTY-TWO THOUSAND NINE HUNDRED FORTY FIVE DOLLARS ($4,022,945), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2010, to and including March 1, 2030 as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference with interest of 2% per annum payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2010, to and including March 1, 2030 as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) of 1% shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing June 1, 2010, as set forth on Exhibit B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement (the "Loan Agreement") by and among the Issuer, the Authority, and the DEP, dated January 12, 2010.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related

costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 28, 2009, and a Supplemental Resolution and Conformed Ordinance duly adopted by the Issuer on December 28, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"); (II) SEWER REVENUE BOND, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550, (THE "SERIES 1999 BONDS"); (III) SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 24, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,867,098 (THE "SERIES 2000 BONDS"); (IV) SEWER REVENUE BONDS, SERIES 2006 A, DATED NOVEMBER 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,150,000 (THE "SERIES 2006 A BONDS"); AND (V) SEWER REFUNDING REVENUE BONDS, SERIES 2007, DATED DECEMBER 27, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $5,500,000 (THE "SERIES 2007 BONDS")(COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2010 A Bonds (the "Series 2010 A Bonds Reserve Account"), and unexpended proceeds of the Series 2010 A Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Reserve Account and unexpended proceeds of the Series 2010 A Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Series 2010 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 A Bonds including the Prior Bonds; provided however, that, so long as there exists in the Series 2010 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2010 A

Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond Legislation) by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, has caused this Bond to be dated the day and year first written above.

[SEAL]

Mayor

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: January 12, 2010.

THE HUNTINGTON NATIONAL BANK
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $537,425	January 12, 2010	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE

City of Huntington

20 Years

2% Interest Rate, 1% Administrative Fee

Dated Date	1/12/2010
Delivery Date	1/12/2010

Period Ending	Principal	Coupon	Interest	Debt Service
1/12/2010				
6/1/2010	41,022	2.000%	20,114.73	61,136.73
9/1/2010	41,227	2.000%	19,909.62	61,136.62
12/1/2010	41,433	2.000%	19,703.48	61,136.48
3/1/2011	41,641	2.000%	19,496.32	61,137.32
6/1/2011	41,849	2.000%	19,288.11	61,137.11
9/1/2011	42,058	2.000%	19,078.87	61,136.87
12/1/2011	42,268	2.000%	18,868.58	61,136.58
3/1/2012	42,480	2.000%	18,657.24	61,137.24
6/1/2012	42,692	2.000%	18,444.84	61,136.84
9/1/2012	42,905	2.000%	18,231.38	61,136.38
12/1/2012	43,120	2.000%	18,016.85	61,136.85
3/1/2013	43,336	2.000%	17,801.25	61,137.25
6/1/2013	43,552	2.000%	17,584.57	61,136.57
9/1/2013	43,770	2.000%	17,366.81	61,136.81
12/1/2013	43,989	2.000%	17,147.96	61,136.96
3/1/2014	44,209	2.000%	16,928.02	61,137.02
6/1/2014	44,430	2.000%	16,706.97	61,136.97
9/1/2014	44,652	2.000%	16,484.82	61,136.82
12/1/2014	44,875	2.000%	16,261.56	61,136.56
3/1/2015	45,100	2.000%	16,037.19	61,137.19
6/1/2015	45,325	2.000%	15,811.69	61,136.69
9/1/2015	45,552	2.000%	15,585.06	61,137.06
12/1/2015	45,780	2.000%	15,357.30	61,137.30
3/1/2016	46,008	2.000%	15,128.40	61,136.40
6/1/2016	46,238	2.000%	14,898.36	61,136.36
9/1/2016	46,470	2.000%	14,667.17	61,137.17
12/1/2016	46,702	2.000%	14,434.82	61,136.82
3/1/2017	46,936	2.000%	14,201.31	61,137.31
6/1/2017	47,170	2.000%	13,966.63	61,136.63
9/1/2017	47,406	2.000%	13,730.78	61,136.78
12/1/2017	47,643	2.000%	13,493.75	61,136.75
3/1/2018	47,881	2.000%	13,255.54	61,136.54
6/1/2018	48,121	2.000%	13,016.13	61,137.13
9/1/2018	48,361	2.000%	12,775.53	61,136.53
12/1/2018	48,603	2.000%	12,533.72	61,136.72
3/1/2019	48,846	2.000%	12,290.71	61,136.71
6/1/2019	49,090	2.000%	12,046.48	61,136.48
9/1/2019	49,336	2.000%	11,801.03	61,137.03
12/1/2019	49,583	2.000%	11,554.35	61,137.35
3/1/2020	49,830	2.000%	11,306.43	61,136.43
6/1/2020	50,080	2.000%	11,057.28	61,137.28

BOND DEBT SERVICE

City of Huntington

20 Years

2% Interest Rate, 1% Administrative Fee

Period Ending	Principal	Coupon	Interest	Debt Service
9/1/2020	50,330	2.000%	10,806.88	61,136.88
12/1/2020	50,582	2.000%	10,555.23	61,137.23
3/1/2021	50,835	2.000%	10,302.32	61,137.32
6/1/2021	51,089	2.000%	10,048.15	61,137.15
9/1/2021	51,344	2.000%	9,792.70	61,136.70
12/1/2021	51,601	2.000%	9,535.98	61,136.98
3/1/2022	51,859	2.000%	9,277.98	61,136.98
6/1/2022	52,118	2.000%	9,018.68	61,136.68
9/1/2022	52,379	2.000%	8,758.09	61,137.09
12/1/2022	52,641	2.000%	8,496.20	61,137.20
3/1/2023	52,904	2.000%	8,232.99	61,136.99
6/1/2023	53,168	2.000%	7,968.47	61,136.47
9/1/2023	53,434	2.000%	7,702.63	61,136.63
12/1/2023	53,701	2.000%	7,435.46	61,136.46
3/1/2024	53,970	2.000%	7,166.96	61,136.96
6/1/2024	54,240	2.000%	6,897.11	61,137.11
9/1/2024	54,511	2.000%	6,625.91	61,136.91
12/1/2024	54,783	2.000%	6,353.35	61,136.35
3/1/2025	55,057	2.000%	6,079.44	61,136.44
6/1/2025	55,333	2.000%	5,804.15	61,137.15
9/1/2025	55,609	2.000%	5,527.49	61,136.49
12/1/2025	55,887	2.000%	5,249.44	61,136.44
3/1/2026	56,167	2.000%	4,970.01	61,137.01
6/1/2026	56,448	2.000%	4,689.17	61,137.17
9/1/2026	56,730	2.000%	4,406.93	61,136.93
12/1/2026	57,014	2.000%	4,123.28	61,137.28
3/1/2027	57,299	2.000%	3,838.21	61,137.21
6/1/2027	57,585	2.000%	3,551.72	61,136.72
9/1/2027	57,873	2.000%	3,263.79	61,136.79
12/1/2027	58,162	2.000%	2,974.43	61,136.43
3/1/2028	58,453	2.000%	2,683.62	61,136.62
6/1/2028	58,745	2.000%	2,391.35	61,136.35
9/1/2028	59,039	2.000%	2,097.63	61,136.63
12/1/2028	59,334	2.000%	1,802.43	61,136.43
3/1/2029	59,631	2.000%	1,505.76	61,136.76
6/1/2029	59,929	2.000%	1,207.61	61,136.61
9/1/2029	60,229	2.000%	907.96	61,136.96
12/1/2029	60,530	2.000%	606.82	61,136.82
3/1/2030	60,833	2.000%	304.17	61,137.17 *
	4,022,945		**868,002.14**	**4,890,947.14**

*Plus a Quarterly Administrative fee of $5,425,02 for a total

Administrative Expense of $434,001.60

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20___.

_____

In the presence of:

_____